

BOARD AGENDA – 28 JUNE 2023

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
1	Attendance & Apologies	Noting	Chair	3	
2	Declaration of Interest	Noting	Chair	-	
3	Minutes			-	5:30pm
3.1.1	Minute of Meeting 23 May 2023	Approval	Chair	5	-
3.2	Action Sheet	Noting	Company Secretary	7	5:45pm
4	Date of Next Meeting 23 August 2023	Approval	Chair	-	
5	Health & Safety	Noting	Director of Operations	-	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
6	Items For Decision				
6.1	Accounting Policies	Approval	Director of F&CS	8	
6.2	Annual Report & Financial Statements to 31 March 2023	Approval	Director of F&CS	11	
6.3	Budgetary Performance for the Year Ended 31 March 2023	Approval	Director of F&CS	88	5:50pm
6.4	SHR Financial Returns	Approval	Director of F&CS	98	-
6.5	Management Report to 31 May 2023	Approval	Finance Manager	118	6:35pm
6.6	Operations Report to 31 March 2023	Approval	Director of Operations	139	
6.7	Development Report	Approval	Development Manager	191	
6.8	Board Member Appointment	Approval	Governance Officer	204	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
7	Policies & Strategies				
7.1	Adoption Leave Policy	Approval	Chief Executive	206	6:35pm
7.2	Special Leave Policy	Approval	Chief Executive	215	-
7.3	Asset Management Strategy Update	Noting	Assets & Contracts Manager	228	6:45pm
7.4	Risk Management Strategy	Noting	Chief Executive	231	

ITEM	AGENDA ITEM	ACTION	PRESENTED BY	PAGE NO	TIME
8	Noting Reports				
8.1	Quarterly Treasury Report to 31 March 2023	Noting	Director of F&CS	234	6:55pm
8.2	Business Plan Timetable	Noting	Chief Executive	241	-
8.3	Investment Programme Monitoring Report	Noting	Assets & Contracts Manager	243	7:05pm

MEETING GOES INTO PRIVATE SESSION

Board Meetings 2022/23

Board Members	Notes	01-Sep-22	22-Nov-22	08-Feb-23	29-Mar-23	23-May-23			
Iain Macmillan	3								
Calum Mackay	1								
Alexander Gardner	2 & 6								
Alison MacCorquodale									
Donald MacSween									
Finlay Stewart									
Gordon Macleod	4								
Helen Mackenzie									
Iain M Macleod									
Norman A Macdonald	1								
Roddy Nicolson	1								
Fiona Knappe	5								

1 - Appointed as a Community Member on 1 September 2022

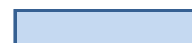
2 - Appointed as a Tenant Member on 1 September 2022

3 - Resigned as Board Member on 22 December 2022

4 - Appointed as a Community Member on 22 November 2022

5 - Appointed as a Tenant Member on 22 November 2022

6 - Removed as Board Member on 29 March 2023



Member present at meeting



Member not present at meeting



Cancellation of travel due to weather



Unable to attend remote meeting due to technical difficulties



Member not required to be present at meeting

Leave

Special Leave Granted

Board Training and Conferences 2022/23

Board Members	Notes	Decision Time Training	Committee / Board as a Landlord	Business Planning Day	Governance Training	Decision Time Training	Highlands & Islands Committee Members Conference
		27-Sep-22	01-Dec-22	31-Jan-23	31-Jan-23	22-Feb-23	04-May-23
Iain Macmillan	3						
Calum Mackay	1						
Alexander Gardner	2 & 6						
Gordon Macleod	4						
Norman A Macdonald							
Roddy Nicolson							
Helen Mackenzie							
Iain M Macleod							
Donald Macsween							
Alison MacCorquodale							
Finlay Stewart							
Fiona Knape	5						

1 - Appointed as a Community Member on 1 September 2022

2 - Appointed as a Tenant Member on 1 September 2022

3 - Resigned as Board Member on 22 December 2022

4 - Appointed as a Community Member on 22 November 2022

5 - Appointed as a Tenant Member on 22 November 2022

6 - Removed as Board Member on 29 March 2023



Member present at training



Member not present at training



Cancellation of travel due to weather



Unable to attend remote training due to technical difficulties



Member not required to be present at training

Leave

Special Leave Granted



HEBRIDEAN HOUSING PARTNERSHIP

Board

Minutes of Meeting held remotely via Microsoft Teams on Tuesday, 23 May 2023 at 5.30pm

PRELIMINARY ITEM																													
ATTENDANCE & APOLOGIES																													
	<u>Preliminary Item</u> The Board agreed to consider an additional paper regarding allocations at item 8.1.																												
1	<u>Attendance & Apologies</u> <table> <tr> <td><u>Attendees</u></td><td><u>Staff & Consultants In Attendance</u></td></tr> <tr> <td>Gordon Macleod (Chair)</td><td>Dena Macleod (Chief Executive)</td></tr> <tr> <td>Calum Mackay (Vice-Chair)</td><td>Donald Macleod (Director of Finance & Corporate Services)</td></tr> <tr> <td>Alison MacCorquodale</td><td>John Maciver (Director of Operations)</td></tr> <tr> <td>Donald Macsween</td><td>Jonathan Fairgrieve (Corporate Services Officer – Minute Taker)</td></tr> <tr> <td>Fiona Knappe</td><td>Iona France (Governance Officer)</td></tr> <tr> <td>Norman A Macdonald*</td><td>Angus MacNeil (Assets & Contracts Manager)</td></tr> <tr> <td>Roddy Nicolson</td><td>Donalda Mackinnon (Area Manager)</td></tr> <tr> <td></td><td>James Morrison (Finance Manager)</td></tr> <tr> <td><u>Apologies</u></td><td>Katrina Rowlands (Service Development Manager)</td></tr> <tr> <td>Finlay Stewart</td><td>Michael Libby (Corporate Services Officer)</td></tr> <tr> <td>Helen Mackenzie</td><td>Norma Robb (People Development Officer)</td></tr> <tr> <td>Iain M Macleod</td><td>Peter O'Donnell (Investment Manager)</td></tr> <tr> <td>* from item 8.1</td><td></td></tr> </table>	<u>Attendees</u>	<u>Staff & Consultants In Attendance</u>	Gordon Macleod (Chair)	Dena Macleod (Chief Executive)	Calum Mackay (Vice-Chair)	Donald Macleod (Director of Finance & Corporate Services)	Alison MacCorquodale	John Maciver (Director of Operations)	Donald Macsween	Jonathan Fairgrieve (Corporate Services Officer – Minute Taker)	Fiona Knappe	Iona France (Governance Officer)	Norman A Macdonald*	Angus MacNeil (Assets & Contracts Manager)	Roddy Nicolson	Donalda Mackinnon (Area Manager)		James Morrison (Finance Manager)	<u>Apologies</u>	Katrina Rowlands (Service Development Manager)	Finlay Stewart	Michael Libby (Corporate Services Officer)	Helen Mackenzie	Norma Robb (People Development Officer)	Iain M Macleod	Peter O'Donnell (Investment Manager)	* from item 8.1	
<u>Attendees</u>	<u>Staff & Consultants In Attendance</u>																												
Gordon Macleod (Chair)	Dena Macleod (Chief Executive)																												
Calum Mackay (Vice-Chair)	Donald Macleod (Director of Finance & Corporate Services)																												
Alison MacCorquodale	John Maciver (Director of Operations)																												
Donald Macsween	Jonathan Fairgrieve (Corporate Services Officer – Minute Taker)																												
Fiona Knappe	Iona France (Governance Officer)																												
Norman A Macdonald*	Angus MacNeil (Assets & Contracts Manager)																												
Roddy Nicolson	Donalda Mackinnon (Area Manager)																												
	James Morrison (Finance Manager)																												
<u>Apologies</u>	Katrina Rowlands (Service Development Manager)																												
Finlay Stewart	Michael Libby (Corporate Services Officer)																												
Helen Mackenzie	Norma Robb (People Development Officer)																												
Iain M Macleod	Peter O'Donnell (Investment Manager)																												
* from item 8.1																													
PRELIMINARY PROCEDURAL MATTERS																													
2	<u>Declaration of Interest</u> Donald Macsween declared an interest at item 3.2.																												
3.1	<u>Minute of Board Meeting 29 March 2023</u> The minute of the Board meeting of 29 March 2023 was submitted and approved as a true and accurate record.																												
3.2	<u>Action Sheet</u> The Chief Executive advised the Goathill development site had now been completed and handed over. The Action Sheet was noted.																												
4	<u>Date of Next Meeting</u> It was agreed the next meeting of the Board will be in person. The Chair advised the meeting scheduled for 23 August 2023 would also be in person and that our Regulation Manager from SHR would be in attendance. The result of the poll as to whether Board Meetings would be on a Tuesday or a Wednesday going forward, was that a Tuesday would be preferable. The Chair advised this would be implemented following the AGM. The date of the next meeting will be 28 June 2023 and will be held in person.																												
5	<u>Health & Safety</u> Nothing to report.																												

BOARD ACTION SHEET

ACTION POINT	MINUTE NUMBER	ACTION TO BE TAKEN	DEADLINE/TIMESCALE	ACTION BY	PROGRESS
1	23 May 23 (6.1)	Submit Annual Return on the Charter to the Scottish Housing Regulator	31 May 2023	Governance Officer	Submitted on 25 May 2023.
2	23 May 23 (6.2)	Submit Five Year Financial Plan Return to Scottish Housing Regulator	31 May 2023	Director of Finance & Corporate Services	Submitted on 24 May 2023.
3	29 Mar 23 (6.1)	Information on number of families in new developments be brought back to Board	28 June 2023	Director of Operations	To be included in Allocation Report on agenda.
4	29 Mar 23 (6.8)	Funding for six places at the TPAS (Scotland) Annual Conference 2023 be allocated to the Western Isles Housing Association Communities Forum. Report from those attending the conference to be shared with the Board.	June 2023	Service Development Manager	Places at conference booked. One place remains available but no tenants from Uist or Barra have accepted.
5	29 Mar 23 (7.2 & 7.4)	Staff and Union to be consulted on Staff Expenses Policy and Workforce Strategy	5 April 2023	Governance Officer	Consultation period ended on 14 April 2023. Report to Personnel Working Group on 15 June 2023.
6	29 Mar 23 (7.4)	Workforce Strategy and Apprenticeship scheme be discussed at Personnel Working Group, following consultation.	June 2023	Chief Executive	Arranged for 15 June 2023
7	9 Feb 2022 (7.2)	Review garage rents.	2023/24	Director of Finance & Corporate Services	Rent Structure Timetable to be presented to Development & Finance Committee in June 2023.

ACCOUNTING POLICIES

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present to the Board for approval, a change in the accounting policies upon which our Financial Statements are prepared.

Summary

- 2.1 The Board are required to approve any changes to our accounting policies.
- 2.2 The Board are asked to approve two minor changes to our accounting policies. One is with regards to the calculation of an impairment loss and the other with respect to the treatment of pension surpluses under FRS102.

Competence

- 3.1 The legal, financial or other constraints to any recommendations in this report being implemented are detailed in paragraphs 5.1 - 8.1

Recommendations

- 4.1 **It is recommended that the Board approve the changes in the accounting policies with respect to the calculation of impairment losses and the restriction of pension surpluses under FRS102.**

Background Papers: Financial Regulations November 2022

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The accounting policy on impairment requires to be amended to incorporate impairment losses on the infra-red heating systems which the Board have approved to replace over a 2 year period. The previous accounting policy only made provision for impairment on economic generating units where the useful economic life exceeded 50 years.
- 5.2 Our pension position has for the first time become a pension surplus. Under FRS102 a surplus must be restricted if we are unable to recover the surplus through reduced contributions in the future through refunds from the plan (Paragraph B28.16 FRS102).
- 5.3 The following changes to accounting policies are therefore proposed:

Existing Accounting Policy	Proposed Accounting Policy
<u>Impairment</u> Reviews for any impairment of housing properties are carried out on an annual basis where the estimated remaining economic life of those properties exceeds 50 years. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income.	<u>Impairment</u> An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired. Impairment is recognised where the carrying value of an asset exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income.
<u>Pension Costs</u> The Partnership participates in the Highland Superannuation Scheme and contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The actual pension cost is charged to the income and expenditure account based on contributions to the fund.	<u>Pension Costs</u> The Partnership participates in the Highland Superannuation Scheme and contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The actual pension cost is charged to the income and expenditure account based on contributions to the fund. In accordance with FRS102 the future payments in respect of the past service deficit plan have been discounted and recognised as a provision within the financial statements. When a pension plan is in a net surplus position, there is a requirement, under FRS102, to restrict the surplus where there are restrictions on the recoverability of the plan surplus.

Legal

- 6.1 Our statement of principles as set out in paragraph 2.2.5 of the Financial Regulations states that “Compliance with Statutory Requirements, accounting standards and appropriate codes of practice will be inherent in all our financial arrangements.
- 6.2 The following Partnership rules are also applicable:
 - a) Rule 69 - The Partnership must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
 - b) Rule 70 – The Board must send the Partnership's accounts and Balance Sheet to the Partnership's auditor. The auditor must then report to the Partnership on the accounts they have examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010.c)
- 6.3 The Annual Report and Financial Statements prepared must comply with the Statement of Recommended Practice (SORP) - Accounting by registered social landlords 2014 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator (February 2019).
- 6.4 The following Financial Regulations are applicable:
 - a) 5.10.2 – Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Board no later than three months after the year-end.
 - b) 5.10.4 - the draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On their recommendation the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The changes to our accounting policies are required to ensure that the financial statements are prepared in line with the relevant accounting standards.

ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Annual Report and Financial Statements for the year ended 31 March 2023 to the Board for approval.

Summary

- 2.1 The draft Financial Statements for the year ended 31 March 2023 are at Appendix 1. These statements are marked as draft as we await the final management letter from our external auditor.
- 2.2 The draft Financial Statements were presented to the Development & Finance Committee on 22 June 2023 and the Audit & Risk Committee on 27 June 2023.
- 2.3 The HHP Community Housing Financial Statements have been prepared for the year ended 31 March 2023 and are at Appendix 2.

Competence

- 3.1 The legal, financial or other constraints to any recommendations in this report being implemented are detailed in paragraphs 5.1 to 8.1.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **approve the Annual Report and Financial Statements for the year ended 31 March 2023 as at Appendix 1; and**
 - b) **note the HHP Community Housing Accounts for the year ended 31 March 2023 at Appendix 2.**

APPENDIX 1:	Annual Report and Accounts for the year ended 31 March 2023
APPENDIX 2:	HHP Community Housing Accounts for the year ended 31 March 2023
Background Papers:	None
Writer of Report:	Donald Macleod
	Tel: 0300 123 0773

Competence

Financial

- 5.1 The Annual Report and Financial Statements detail how the resources for the year ended 31 March 2023 have been utilised. The cost of auditing and producing copies of the Annual Report and Accounts has been provided for in the Annual Report and Accounts.
- 5.2 Our pension position has for the first time become a pension surplus. Under FRS102 a surplus must be restricted if we are unable to recover the surplus through reduced contributions in the future or through refunds from the plan (Paragraph B28.16 FRS102). As a result, we have restricted the value of the pension surplus by £2.37m to Nil.

Legal

- 6.1 The following Partnership rules are applicable:
 - a) Rule 69 - The Partnership must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.
 - b) Rule 70 – The Board must send the Partnership's accounts and Balance Sheet to the Partnership's auditor. The auditor must then report to the Partnership on the accounts they have examined. In doing this, the auditor must follow the conditions set out in Part 7 of the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010.c).
 - c) Rule 71 - The Partnership must provide the Scottish Housing Regulator and the Financial Services Authority with a copy of its accounts and the auditor's report within six months of the end of the period to which they relate.
- 6.2 The Annual Report and Financial Statements prepared must comply with the Statement of Recommended Practice (SORP) - Accounting by registered social landlords 2014 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator (February 2019).
- 6.3 The Facility Agreement with our Funder's requires the Partnership to submit an audited Annual Report and Financial Statements within six months from the end of the period to which they relate and also confirmation from our External Auditor that the Financial Covenants have been met.
- 6.4 The following Financial Regulations are applicable:
 - a) 5.10.2 – Preparation of annual accounts is to commence immediately after the end of each financial year and draft accounts are to be prepared for consideration by the auditors and by the Board no later than three months after the year-end.
 - b) 5.10.4 - the draft accounts and audit management letter will be reviewed by the Audit and Risk Committee. On their recommendation the draft accounts will be submitted to the Board for approval, and subsequently for adoption at the Annual General Meeting.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The risk of not complying with the Legal requirements has been mitigated by completing the preparation of the Annual Reports and Financial Statements within three months of the year-end.

Report Details

- 9.1 A set of accounts for the year ended 31 March 2023 have been prepared and are at Appendix 1 of this report. An audit report will be issued at the meeting of the Committee and the Board.
- 9.2 Opportunity to ask questions with regards to the Accounts and performance for the year will be given at the Board meeting.
- 9.3 The key financial factors to highlight in the Annual Accounts are that:
- a) Operating surplus of £2,677K shows an increase from the previous year of £173K. The key changes are detailed below:

Area	£000's	Reason
Rental Income	611	Increase driven by increase in annual rent increase and the number of units through new build.
Voids	43	Voids have improved with relet times returning to pre-pandemic levels
Management & Maintenance Administration Costs	229	Internal fee income was down £59K due to the delays in investment spend. £124K increase in Employee costs due to annual salary increases. Increased IT costs of £40K partly due to the implementation of the new housing system.
Depreciation	408	Increase driven by new build properties completed and component replacements capitalised in the year
Repairs	120	General repairs has increased £107K due to the continuing high cost of materials contributing to a higher average repair cost of around £30 more per order compared to the same point last year.
Increase in Grants	207	OT Aids & Adaptations funding received up £23K from last year and RHI income is up £35K. Amortised grant has increased by £149K with the completion of new build units in the year.
Bad Debts	39	£39K decrease in bad debts, mainly driven by a decrease of recharge bad debts in the year.

- b) Increase of £3.218M in net assets reflecting the investment in our stock through the investment and development programmes.
- c) Inclusion of the subsidiary, HHP Community Housing, and the decision not to prepare group accounts due to the immateriality of the trading activity of the Company during the year; and

- d) The statement of comprehensive income includes a significant actuarial gain of £2.73M for 2022/23, which has arisen due to a change in the actuarial financial measurement assumptions in relation to our pension fund. The surplus on our pension has been restricted by £2.37M as we are unable to recover the surplus through reduced contributions in the future or through refunds from the plan (Paragraph B28.16 FRS102).
- e) The statement of comprehensive income includes an impairment loss on infra-red heating systems of £1.3M as the Board have taken the decision to replace these over the next 2 years.

8.5 A separate report is being presented to the Board detailing performance for the year against the approved budget.



ANNUAL FINANCIAL STATEMENTS

Year Ended 31 March 2023

A Registered Society under the
Co-operative & Community Benefit Societies Act 2014 No: 2644R (S)
Registered Charity No: SCO 35767
Scottish Housing Regulator registration: No 359
Property Factor Act: No PF000183

TABLE OF CONTENTS

CORPORATE INFORMATION	2
Board of Management, Directors & Advisors	2
Overview of Business	3
Core Values	4
Regulation	4
Governance & Management	4
Internal Financial Control	7
Board Statement on Internal Financial Control	10
OPERATING & FINANCIAL REVIEW	13
Summary of Performance Indicators	14
Housing Services	15
Tenant Participation	16
Planned & Cyclical Maintenance	17
Investment	18
Development	19
Political & Charitable Donations	21
Key Risks Impacting On The Future	21
Fuel Poverty & EESSH	21
Financial Review	22
Auditors	24
Independent Auditors Report	25
Report by the Auditors to the Members of Hebridean Housing Partnership Ltd on Corporate Governance Matters	30
FINANCIAL STATEMENTS	31
Statement of Comprehensive Income as at 31 March 2023	32
Statement of Changes in Reserves as at 31 March 2023	33
Statement of Financial Position as at 31 March 2023	34
Statement of Cash Flows for the Year Ended 31 March 2023	35
Notes to the Statement of Cash Flows for the Year Ended 31 March 2023	36
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023	37

CORPORATE INFORMATION

Board of Management, Directors & Advisors

Name	Category	Changes during the year	
		Appointed	Resigned
Alex Gardner	Tenant	26 August 2021 (re-appointed)	29 March 2023
Fiona Knappe	Tenant	15 December 2022	
Calum Mackay	Community	31 August 2022 (re-appointed)	
Iain Macmillan	Community	26 August 2021 (re-appointed)	22 November 2022
Roddy Nicolson	Community	31 August 2022 (re-appointed)	
Norman A Macdonald	Co-opted Community	23 March 2022 31 August 2022	30 August 2022
Gordon Macleod	Co-opted Community	26 August 2021 31 August 2022	30 August 2022
Helen Mackenzie	Board Appointed	24 June 2021	
Alison MacCorquodale	Board Appointed	26 May 2022	
Donald Macsween	Councillor	25 May 2022	
Iain M Macleod	Councillor	25 May 2022	
Finlay Stewart	Councillor	25 May 2022	

Secretary and Registered Office

Dena Macleod BA CA
Creed Court
Gleann Seileach Business Park
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

Bankers

Royal Bank of Scotland plc
17 North Beach Street
Stornoway
Isle of Lewis
HS1 2XH

Funders

Royal Bank Of Scotland plc
RBS Global Banking & Markets
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

Directors

Chief Executive: Dena Macleod BA CA
Director of Operations:
John Maciver BSc MPHIL, FCIH
Director of Finance & Corporate
Services: Donald Macleod BAcc, FCCA

External Auditors

CIB Audit
63 Kenneth Street
Stornoway
HS1 2DS

Solicitors

Harper Macleod
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

Overview of Business

Our principal activity is to provide and manage good quality, affordable accommodation for people in housing need in the Outer Hebrides. We are a charitable Registered Social Landlord and we own and manage a range of houses for rent, primarily general needs accommodation but also some supported accommodation. We provide accommodation for homeless people who are referred by Comhairle Nan Eilean Siar as statutory homeless and requiring permanent secure accommodation.

At 31 March 2023:

- 2,334 Homes available for Social Rent
- 137 New Build Homes under development



2022/23 saw further challenges in the rising cost of living and subsequent rise in interest rates, the war in Ukraine and the continued pressure on supply chains and the labour market due to COVID-19 and BREXIT.



hebridean housing
partnership

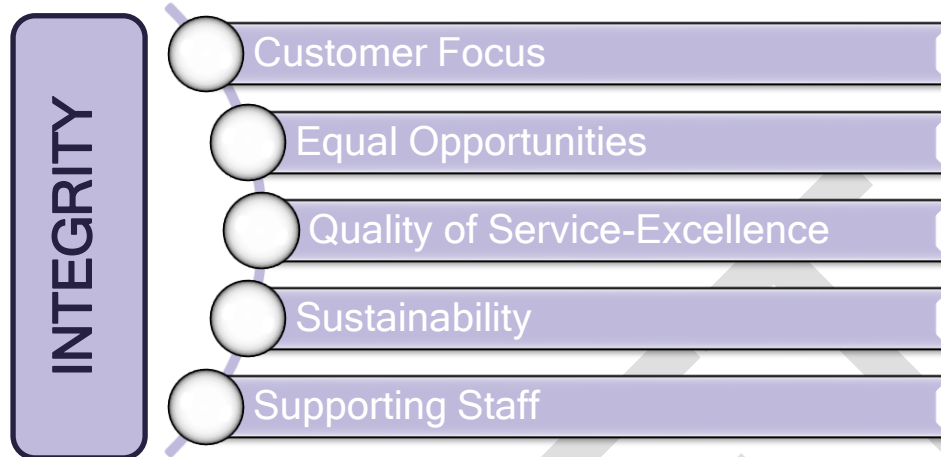
Making our house your home

Our priority is to deliver our vision of, 'making our house, your home' for all tenants. We are currently in a strong financial position to manage identified risks but recognise how quickly those risks can change. Our local supply chain is vital to the economic wellbeing of many families in the Outer Hebrides and we are committed to our investment and development programmes.

Core Values

Our core value is Integrity - “We will be honest, fair, dependable and trustworthy in all our working relationships. We will do the right thing no matter who is watching”.

The core value is supported by the following five values:



Regulation

HHP, because of its ‘systemic importance’ in the Outer Hebrides is categorised as ‘medium engagement’ by the Scottish Housing Regulator in our most recent Regulation Plan. Given the level of public money invested by HHP for developing new homes on an annual basis it is important that the Regulator has assurance that the organisation is well managed and delivers value for money.

Regular meetings take place with the Regulator to review the risks and challenges facing the business and monitor progress against the Business Plan. 30 year and 5 year financial projections are submitted to the Regulator annually. Our Annual Assurance Statement was filed with positive feedback received from the Regulator.

The Regulator has expressed satisfaction with HHP’s progress for 2022/23.

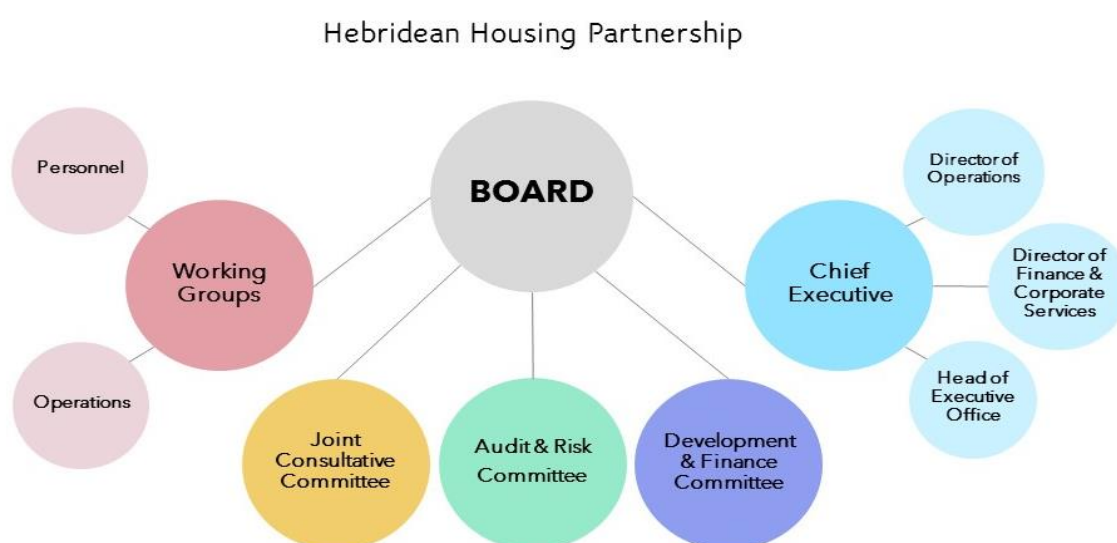
Governance & Management

HHP is a registered society under the Co-operative and Communities Benefit Societies Act 2014 and is governed by a set of Rules appropriate for a Registered Social Landlord. The Partnership is governed by a voluntary Board of Management, which is supported by a Chief Executive, Executive Team and staff. A full list of Board Members is at Page 2.

All Board Members and staff are required to comply with our Standing Orders, policies and financial regulations.

The composition of the Board provides for four tenant members. The Board's skill mix is regularly reviewed, and where gaps are identified, Board Members seek to identify individuals from within the Partnership's existing membership and wider community to strengthen the range of expertise on the Board. The Governance structure is shown in Figure 1.

Figure 1 Board of Management



Our Standing Orders allow for three Standing Committees and two Working Groups. These Standing Orders also allow Working Groups to be set up as required for specific tasks.

The Board comprises up to 15 members - 4 Tenant members, 3 Comhairle Nan Eilean Siar nominees, 4 Community representatives or 5 should there be insufficient nominations for the tenant category, up to 2 Board Appointed Members and up to 2 Co-opted Members. The Board may appoint a Board Member whom they consider will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. There are currently 10 Board members.

HHP's Rules require that one Community and one Tenant member step down each year. There will be elections for the vacant positions at the Annual General Meeting in August 2023.

Tenant and Community members hold one fully paid £1 share. During 2022/23 nine shares were issued to new members.

The Board is responsible for the overall strategic direction and objectives of HHP. Our four Strategic goals are outlined below:

- *Placing tenants at the centre of everything we do.*
- *Investing in an environmentally sustainable way in tenants' homes.*
- *Being a good employer that attracts and retains high quality staff.*
- *Working with partners to contribute to the wellbeing of communities throughout the Outer Hebrides*

The Board has delegated responsibility to the following Standing Committees:

Audit & Risk

To ensure that the activities of the Board are within the law and the regulations which govern the Board, and that an effective internal control system is maintained.

Joint Consultative Committee

To establish workable and effective arrangements for good industrial relations, for the avoidance of any misunderstanding and for the promotion of joint participation in all matters of common interest and concern on a genuine consultative and negotiating basis at Organisation level.

Development and Finance Committee

To ensure that Financial and Development matters are examined in detail and in accordance with policy and to enable swift responses where time is of the essence.

Internal Financial Control

The Board is responsible for establishing and maintaining systems of internal financial control within the organisation. By their nature these systems can provide reasonable, but not absolute, assurance against material misstatement or loss. The internal control framework is supported by organisational control measures including, financial and business planning, performance monitoring and reporting, project management and communication systems. The internal control framework also relies on formal governance measures including a structure of corporate policies, authorities and responsibilities delegated from the Board to the Executive Team.

Management Structure

The organisation for which the Board has overall responsibility is governed by a set of Standing Orders, which reserves specific powers to the Board and delegates functions and powers to its Officers, Committees and Working Groups.

Audit & Risk Committee

The Audit & Risk Committee consists of six members. Meetings are normally held four times a year to review and approve annual internal and external audit plans, reports and the action taken on issues raised by audit. In addition, the Audit and Risk Committee reviews the corporate risk management arrangements including the Risk Register.

Health & Safety

The Board places the highest priority on the Health and Safety of tenants, staff and contractors. A Health and Safety group chaired by the Director of Operations meets regularly with a remit to ensure the Health and Safety requirements are being met. Our Health & Safety policies and procedures are regularly reviewed.

System of Internal Control

The key elements of the system of internal control are as follows:

- Regular meetings of the Board, which has a schedule of matters specifically reserved for its approval and which are the subject of regular standard reports as required;
- Appointment of Internal Auditors who work to the standards of the Institute of Internal Auditors and produce an annual internal audit plan and regular internal audit reports;
- The regular review by the Audit and Risk Committee of reports prepared by Internal Auditors;
- A business plan with a detailed annual budget, regularly revised forecasts, a comparison of actual with budget and key performance indicators all of which are reviewed by the Board.

Identification of Business Risk

Risk management lies with the Board supported by the Executive Team. Key risks have been identified as part of the business planning process and scored to reflect the likelihood of this occurring. Mitigation strategies are put in place to minimise the impact of identified risk on the organisation.

Corporate Risk

The Risk Register, which is updated and reviewed at each Audit & Risk Committee, is organisation wide and shows each risk, the significance of the risk and the probability of these risks occurring. The Register also details the impact of the risks should they occur and who will have responsibility for devising and implementing suitable controls and mitigating actions.

Corporate Governance

The Board meets six times a year to focus on performance, financial monitoring, and strategic direction along with the regular review of policies.

Management Information Systems

Management Information Systems have been established which provide timely monthly information on key aspects of the business. Management accounts comparing actual results against budget are presented to the Board along with performance against key financial and non-financial indicators.

Internal Audit

On 1 October 2019, the Board appointed Wylie & Bisset as their Internal Auditors. The Internal Auditors report directly to the Audit and Risk Committee.

Our External Auditors have placed reliance on the work carried out by the Internal Auditors on the accounting systems.

Investment Appraisal

The Financial Regulations provide the framework and procedures for investment appraisal. Expenditure beyond certain levels requires to be approved by the Board. A Fixed Asset Register is in place which details all the assets owned by the Partnership.

Investment

On 1 June 2010 HHP Community Housing Limited was formed as a non-charitable subsidiary of the Partnership. During 2022/23 there was no activity.

Board Statement on Internal Financial Control

The Board acknowledges its ultimate responsibility for ensuring that the Partnership has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to the:

- reliability of financial information used within the Partnership, or for publication;
- maintenance of proper accounting records;
- safeguarding of assets against unauthorised use or disposition;
- The proper authorisation and recording of transactions.

Statement of Board Responsibilities

It is the Board's responsibility to establish and maintain the systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Partnership's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and any delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Partnership's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Head of Service and the Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly financial management reports are prepared, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;

- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Audit & Risk Committee/Board received reports from management and from external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Partnership is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Partnership for the year end 31 March 2023. No weaknesses were found in internal financial controls which result in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

The Board of Management is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership and to enable them to ensure the Financial Statements comply with the Co-operative & Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Partnership's suppliers are paid promptly.

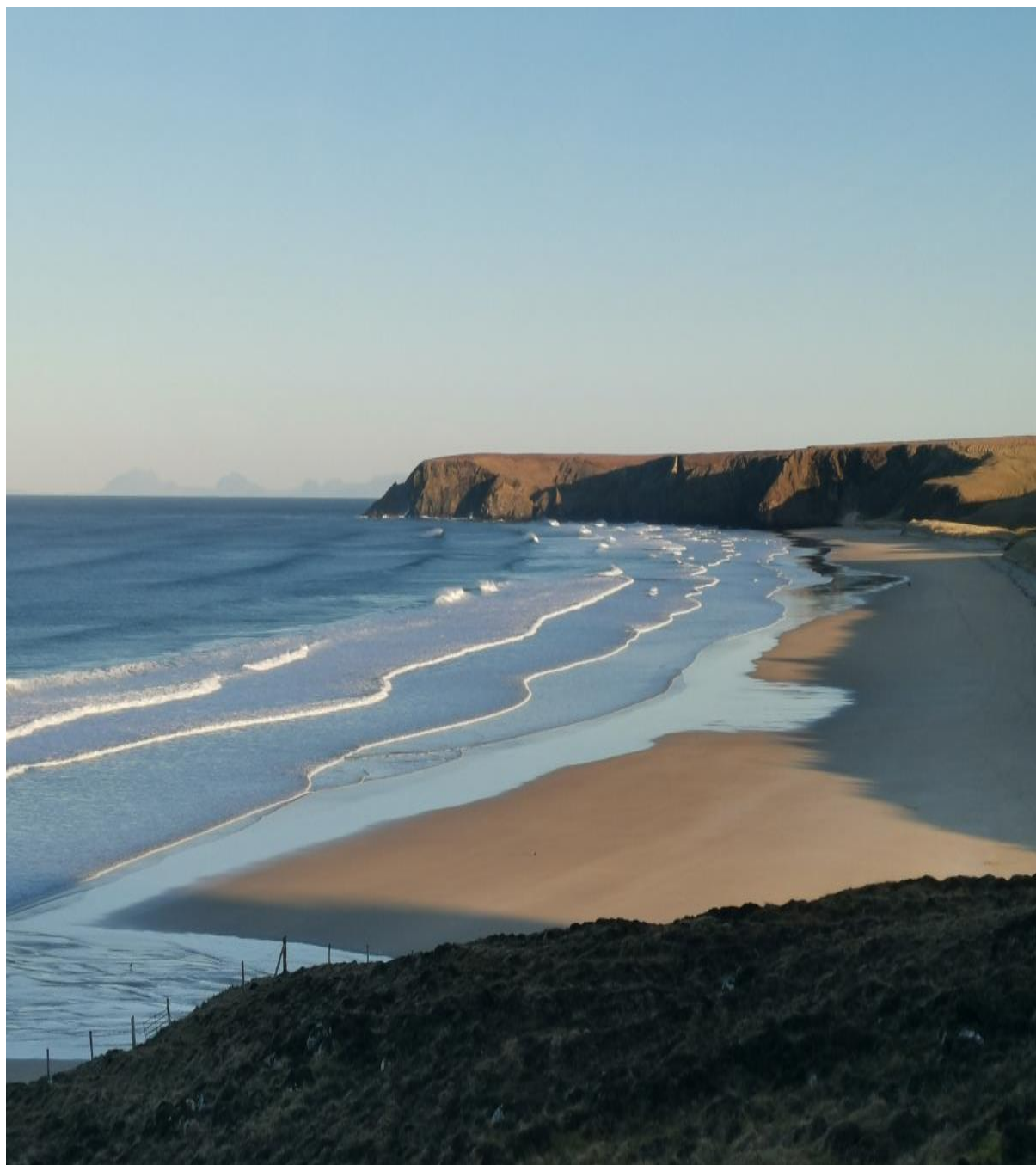
Statement of Disclosure to Auditors

In so far as the Board of Management are aware:

- There is no relevant audit information (information needed by the Partnership's auditors in connection with preparing their report) of which the Partnership's auditors are unaware, and
- The Board of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

On behalf of the Board
Gordon Macleod
Chair

OPERATING & FINANCIAL REVIEW



Summary of Performance Indicators

DETAIL	Variance	ARC 2022/23	ARC 2021/22	ARC 2020/21
Emergency repairs completed	13.84%	1,119	983	1,206
Average length of time to complete emergency repairs	-6.90%	2.48 hours	2.32 hours	2.61 hours
Non-emergency repairs completed	-1.62%	4,615	4,690	4,141
Average length of time to complete non-emergency repairs	-4.65%	3.69 days	3.87 days	4.90 days
Reactive repairs completed right first time	0.13%	89.84%	89.72%	90.56%
Total arrears	-2.37%	£332,677	£340,748	£307,832
Former tenant arrears	3.02%	£113,701	£110,365	£120,221
Average time to re-let properties in the last year	-31.48%	30.97 days	45.19 days	50.19 days
Calendar days properties were empty	-26.74%	6,225	8,497	8,131
Rent loss through voids	-43.26%	£61,139	£107,753	£96,726
General needs lets	0.41%	242	241	184
Supported Housing lets	-72.73%	3	11	2
Anti-social behaviour cases	-18.75%	13	16	12
Abandoned properties	16.67%	7	6	4
Total self-contained stock	1.88%	2,330	2,287	2,223
Stock meeting SHQS	10.59%	82.79%	74.86%	80.07%
Rent increase	71.43%	6.0%	3.5%	1.3%
Staff turnover	-15.38%	11%	13%	5.08%

Most areas of performance have returned to pre-pandemic levels:

- Average time to re-let properties in the last year has improved by 31.48%
- Number of calendar days properties were empty decreased by 26.74%
- Void loss improved by 43.26%
- Arrears have decreased by 2.37%

The total stock meeting SHQS has increased by 10.59%. This indicator is still impacted by access issues for Electrical Installation Condition Reports (EICRs).

Scottish Government are carrying out a review of the Energy Efficiency Standard for Social Housing post 2020 (ESSH2).

Housing Services

There has been an increased number of welfare concerns identified throughout 2022/23. The reasons for this increase are not clear and are likely to be due to a number of factors. These include people struggling to cope following Covid lockdowns and the increased cost of living. Through the electric testing and smoke detector installation programmes, we have been accessing more homes which allows identification of issues. Mental health issues and addiction problems are factors in several cases making it difficult for people to manage their home and day to day living. These cases have been hugely challenging and resource intensive in trying to improve the living conditions for those tenants and in trying to secure the involvement of other agencies.

The cost of living crisis has caused difficulties and challenges for tenants particularly with the huge increases in heating and food costs. We were successful in funding applications from the Scottish Federation of Housing Associations (SFHA) and Housing Associations Charitable Trust (HACT) and were able to distribute warm home packs and energy/food vouchers to tenants. Tenants were extremely grateful for the help and assistance they received.

Universal Credit claims remained steady with no major issues highlighted with process. Improvements in the landlord portal for Universal Credit allows officers to view payments 7 days before the payment is due. If there are any changes to the expected payment amount, officers can make contact with the tenant to discuss their change in circumstances. Bedroom Tax continues to be mitigated by the Discretionary Housing Payment facilitated by Comhairle Nan Eilean Siar.

Despite the pressures being experienced by tenants, arrears have remained stable and officers have worked hard to support and advise households. Key to this is early action which reduces the risk of debt increasing to unmanageable levels.

There was a significant decrease in the void rent loss for 2022/23 with teams working hard to reduce the re-let time turnaround time which improved greatly from the previous year. However, as in previous years, low demand has continued to impact on performance particularly in the most rural areas.

Tenant Participation

Tenant Events were once again held in person, with Cost of Living Events held in Stornoway, Balivanich and Castlebay. There was very good representation from partner agencies who provided advice and assistance to tenants on energy and finances and other useful information. Those tenants who attended found the events very useful and helpful.

The Tenant Participation and Engagement contract with TPAS was reviewed following the departure of their officer who was employed to help develop our Tenant's Involvement in the planning and delivery of services. As a result of this review a new post of Tenancy Engagement Officer has been created within HHP. The new postholder will co-ordinate and promote tenant and customer involvement in the design and delivery of Housing Services. They will work with the Western Isles Housing Association Communities Forum as it tries to re-establish itself as a focus for participation across the islands. They will also work with small informal groups who wish to engage in a less structured manner and with individual tenants where appropriate. Providing a choice in ways to participate is important particularly in a large and sparsely populated area such as the Outer Hebrides where there is a high number of small schemes consisting of less than 20 houses which makes participation challenging.

The community grant fund was available through the year. One application was received and £1,708.95 was awarded to the Newmarket Play Park Group.

We are again funding 6 tenant places at the TPAS Annual Conference and will build on the knowledge and engagement levels this brings.



Planned & Cyclical Maintenance

Our Planned Maintenance Programme aims to protect the structure of tenant's homes and to maintain the wider environment.

Our cyclical maintenance programmes ensure the safety of tenants and compliance with our legal and regulatory requirements. The following works were carried out during the year:

- Gas, air source and oil heating systems were serviced;
- Fire alarms, stair lighting, and door entry systems were checked and tested;
- Stair-lifts were serviced;
- Electrical systems were tested where these were more than 5 years old in line with our new regulatory requirements;
- Water systems were tested for legionella, and anti-scald valves were checked where appropriate;
- Asbestos was checked where in place and;
- Flatted common areas were inspected.

Investment

£4.28M was invested in tenants' homes during the year delivering the following improvements:



- 144 Heating Systems
- 73 New Kitchens
- 37 Bathrooms
- 109 Showers
- 112 Tenants benefitted from Aids & Adaptations works

Addressing the challenge of fuel poverty is a key priority and this is demonstrated by our investment in new heating systems and our commitment to replacing Total Heating Total Control systems. We installed a further 126 Air Source Heat Pumps in off-gas areas which delivers a more controllable and affordable solution for our tenants. We also replaced 18 gas heating systems with new high efficiency boilers.

Our successful application for Grant funding from the Scottish Government's Low Carbon Infrastructure Transition Programme (LCITP) allowed us to speed up the rate at which we are replacing old storage heating systems.

A review of around 200 infra-red heating systems was carried out during the year. Tenants had expressed increasing concerns around running costs and the effectiveness of systems in heating their homes. Following this review, the Board agreed to replace all the systems over the next 2 financial years. An impairment loss of £1.3 Million has been recognised in the Statement of Comprehensive Income with respect to these heating systems.

Development

Developing new homes remains a challenge when increased energy costs, inflation at record levels and other factors result in supply chain cost pressures. We have continued to work with CNES in the delivery of their Strategic Housing Investment Plan (SHIP) through our new build programme to March 2027.

Over £5M of funding from the Scottish Government Affordable Housing Supply Programme was drawn to support the completion of 46 homes as shown:

Scheme	Area	Type	Units
Gleann Mòr, Barvas	Rural Lewis	Rent	8
Johnstone Court, Balivanich	Benbecula	Rent	10
Sinclair Avenue	Stornoway	Rent	22
Sinclair Avenue	Stornoway	NSSE	2
5-8 Leana Ruadh, Uig	Rural Lewis	Rent	4
Total Handover to 31 March 2023			46



**137 Homes Under Construction at
31 March 2023**

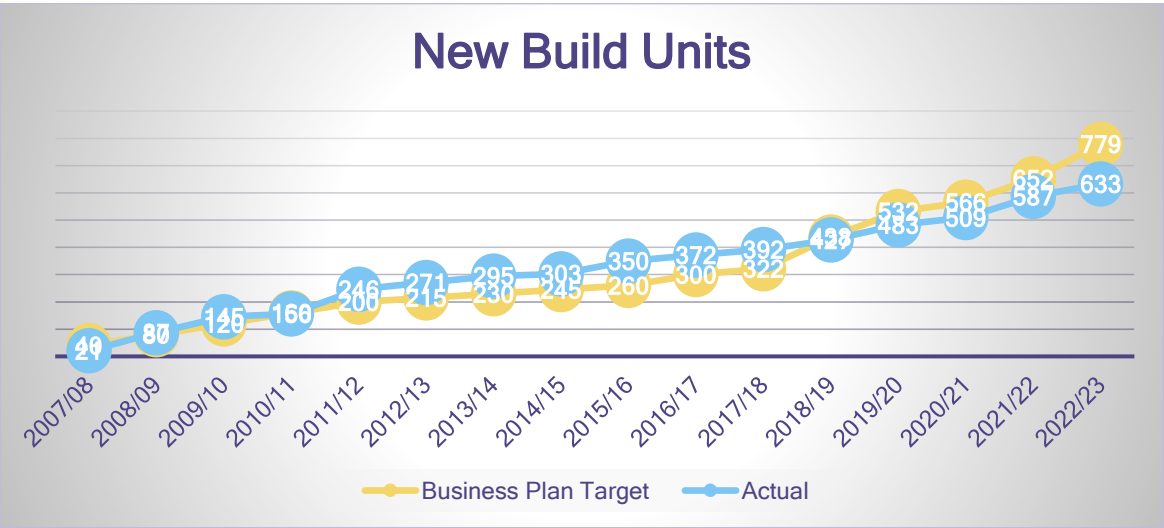
Work has begun on an 8 house development in Lochmaddy and a 72 house development at Blackwater. 50 new housing with extra care homes at Bremner Court completed in May 2023 and supports the changing needs of our aging population.

Future Development

We continue to assist the Comhairle in identifying suitable land to create a good landbank of developable sites. We have provided our input to the development of the Local Housing Strategy (LHS) which should set out the Comhairle's aspirations on where housing should be built. The LHS will be informed by the Housing Needs Study carried out by the Comhairle in 2022 which provided a similar picture to our Housing Needs and Demand Study conducted in 2021 which identified a small number in need for social housing out-with our existing waiting list.

Completed Developments

We completed the following new build homes in 2022/23:



Political & Charitable Donations

- a) There were no political donations made by HHP during the financial year.
- b) A total of £5,000 was donated during the year to the following local charities:

£1,000	Garadh a Bhagh a Tuath
£1,000	Action for Children
£1,000	Western Isle Community Care Forum
£1,000	Bethesda Hospice
£1,000	Marie Curie Nursing Assistants

Key Risks Impacting On The Future

HHP's 30 year Business Plan is extremely sensitive to changes in the operating environment and in an effort to minimise that risk, a risk strategy and risk register is maintained. The Strategy is reviewed annually and the register is reviewed quarterly and updated as necessary.

Any risk, which materially jeopardises the Partnership's ability to achieve our vision and goals or conduct our business is not accepted. HHP's risk appetite is assessed as part of the annual business planning process.

The number one risk on our risk register is affordability for tenants with the growing pressures on the cost of living. The changing demographics and reducing population of the Outer Hebrides, climate change, global events (e.g. war), supply chain & workforce challenges are the other top risks identified on our risk register.

Partnership working is critical if we are to address the demographic challenges which are a concern for the future of our islands and which contribute to this weakening demand. We continue to seek to encourage and develop this debate and promote action to address it.

Fuel Poverty & EESSH

Levels of fuel poverty in the Outer Hebrides are amongst the highest in the UK and have been exacerbated with the rising costs of energy since the war in Ukraine. We invest heavily in tenants homes to meet the requirements of EESSH and improve energy efficiency. We have replaced almost all our solid fuel heating systems with Air

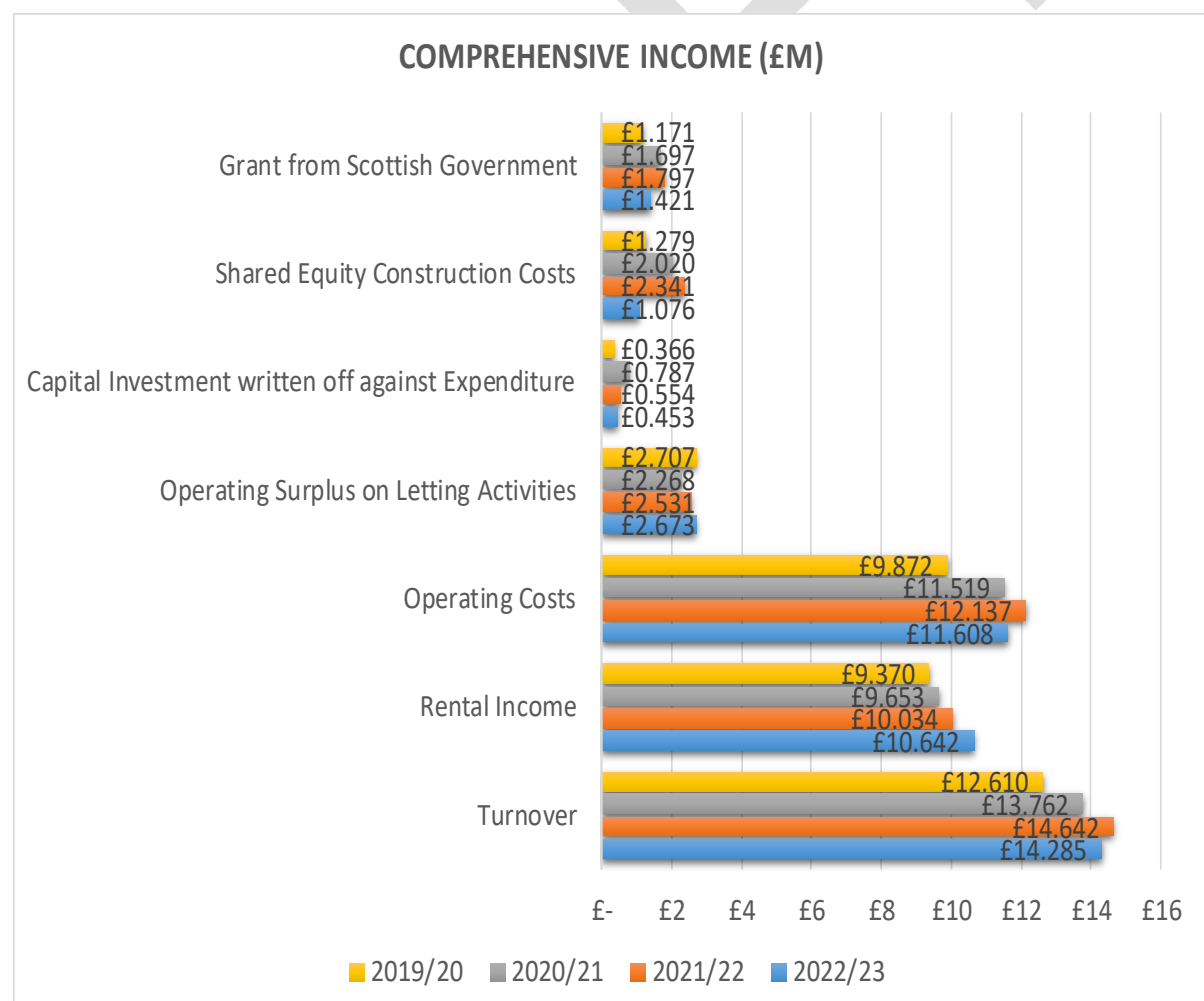
Source Heating and are making good progress on replacing storage systems which are on restricted tariffs such as THTC. This year 100 heating systems were replaced throughout the islands using additional funding from the Scottish Government through the Social Housing Net Zero Fund.

Due to the ongoing energy crisis it was not possible to switch energy suppliers but we continued to work with agencies to provide financial support to tenants who found themselves facing financial issues during the crisis.

Work also continues with other Highland RSL's and Councils on lobbying MSPs, the Government, OFGEM and SSE on prices within the Highlands & Islands, which are the highest in the UK.

Financial Review

Comprehensive Income



There were 6 Shared Equity properties sold during the year (2022/23).

Financial Position

HHP's Financial Position is shown on Page 34. The key factors affecting the Statement of Financial Position are:

- a) The value of housing properties under construction has increased as a result of the increase in the Partnership's development and investment plans;
- b) The addition of 44 new homes for rent funded largely from Affordable Housing Supply Programme (AHSP) Grant from the Scottish Government;
- c) An increase in creditors more than one year with £7 Million drawn during the year from our £25 Million refinancing agreement with our funders (Royal Bank of Scotland);
- d) An increase in Deferred Capital Grants reflecting the continued investment in new homes.

Cash Flow

The Cash Flow is shown on page 35. The net change in cash equivalents was £4.711M (2022: -£1.666M). The principal cash outflows were operating, development costs and investment in assets with cash inflow boosted by proceeds from sales and grants received.

Current Liquidity

At 31 March 2023, HHP had cash and short-term deposits of £8.022M (2022: £3.311M). It is anticipated that there will be a requirement to draw down funds from our borrowing facility during 2023/24.

Capital Structure & Treasury Management Policy

The main elements of HHP's long term funding are a loan facility arranged with the Royal Bank of Scotland (RBS) and grant provided by The Scottish Government. The RBS loan facility which was re-structured in June 2021, allows us to borrow up to £25 Million. In broad terms, the current Business Plan assumes that borrowing will increase each year until the maximum of £25 Million is reached in 2025 reflecting the significant investment in improving our current stock and building new homes. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2046.

The Board receives updates each quarter which detail the debt, cash and interest received.

Our Treasury Management Policy sets down the framework for investing and managing cash, raising loans, interest rate management and the use of financial derivatives by the Group. A key objective of the Policy is to ensure that the Partnership's loan portfolio represents the optimum balance of risk in interest rate, loan maturity and fixed rate exposure. Currently we have drawn £17M of the RBS loan facility with £15.5M fixed and £1.5M variable.

Plans For The Future

HHP plans to invest £16.266 Million over the next 5 years ensuring the Scottish Housing Quality Standard is maintained in all its properties. £27.743 Million of HHP cash and borrowings have been earmarked for the new build projects due for completion in the next 5 years.

Auditors

A resolution to appoint new auditors for the next financial year will be proposed at the Annual General Meeting in August 2023.

Independent Auditors Report

Opinion

We have audited the financial statements of Hebridean Housing Partnership (the 'Partnership') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Cashflow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Co-operative and Communities Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

In auditing the financial statements, we have concluded that the committee of management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the committee of management with respect to going concern are described in the relevant sections of this report.

Other Information

The Board of Management are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to Report by Exception

In the light of the knowledge and understanding of the Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Managements' Report.

We have nothing to report in respect of the following matters where The Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts have not been kept by the Partnership in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Partnership in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 10, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management are responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

As part of the audit engagement, we:

- gain an understanding of the legal and regulatory framework applicable to the Partnership and assess compliance with that framework;
- enquire of management and those charged with governance around actual and potential litigation and claims;
- review the financial statements disclosures and test to supporting documentation to assess compliance with applicable laws and regulations;
- consider the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud, through discussion with management and those charged with governance;
- perform audit work to ensure the transactions included within the financial statements are properly recorded and authorised;
- consider whether the assumptions and judgements applied by management within significant accounting estimates are reasonable.

There are inherent limitations in the audit procedures described above that result in an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with International Standards on Auditing (UK). The further removed non-compliance with laws and regulations is from the events and financial transactions in the financial

statements, the less likely the auditor is to become aware of it or recognise non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment through forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Partnership's members, as a body, in accordance with the Co-operative and Communities Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

CIB Audit

Chartered Accountants

Statutory Auditor

Stornoway

Date: 28 June 2023

Report by the Auditors to the Members of Hebridean Housing Partnership Ltd on Corporate Governance Matters

Corporate Governance

In addition to our audit of the Financial Statements, we have reviewed your statement on page 10 concerning the Partnership's compliance with the information required by the Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Partnership's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards (for systemically important RSLs) within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as the result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board and Officers of the Partnership and examination of relevant documents, we have satisfied ourselves that the Board's Statement on Internal Financial Control appropriately reflects the Partnership's compliance with the information required by the relevant Regulatory Standards (for systemically important RSLs) in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

CIB Audit

Chartered Accountants

Statutory Auditor

Stornoway

Date: 28 June 2023

FINANCIAL STATEMENTS



Statement of Comprehensive Income as at 31 March 2023

		31 March 2023	31 March 2022
		£	£
	Notes		
Turnover	3	14,284,851	14,641,625
Operating expenditure	3	(11,608,004)	(12,137,491)
Other Income			
Operating surplus	3	2,676,847	2,504,134
Loss on disposal of property, plant & equipment		(157,197)	(248,435)
Interest receivable	6	16,650	2,381
Interest payable and financing costs	7	(705,947)	(404,348)
Decrease in valuation of housing properties		(1,342,435)	5,356
Surplus before tax		487,918	1,859,088
Actuarial gain/(loss) in respect of pension scheme	22	2,730,000	1,408,000
Total comprehensive income for the year		3,217,918	3,267,088

The results for the year relate wholly to continuing activities.

These financial statements were approved by the Board on 28 June 2023 and were signed on its behalf by:

Gordon Macleod
Chair

Dena Macleod
Company Secretary

Roddy Nicolson
Board Member

The notes on pages 36 to 61 form part of these financial statements.

Statement of Changes in Reserves as at 31 March 2023

	Share Capital £	Unrestricted Fund £	Total Reserves £
Current Year			
Balance at 1 April 2022	215	39,456,403	39,456,618
Movement in Share Capital	9		9
Surplus from statement of comprehensive income		3,217,918	3,217,918
Balance at 31 March 2023	224	42,674,321	42,674,545
Prior Year			
Balance at 1 April 2021	210	36,189,315	36,189,525
Movement in Share Capital	5		5
Surplus from statement of comprehensive income		3,267,088	3,267,088
Balance at 31 March 2022	215	39,456,403	39,456,618

The notes on pages 36 to 61 form part of these financial statements.

Statement of Financial Position as at 31 March 2023

		31 March 2023	31 March 2022
		£	£
	Notes		
Fixed Assets			
Tangible Assets-Social Housing	8	127,121,410	119,784,179
Tangible Assets-Property, plant & equipment	9	2,070,317	1,951,376
Investments	10	2	2
		<u>129,191,729</u>	<u>121,735,557</u>
Current Assets			
Stock		24,693	279,798
Trade and other debtors	11	1,890,232	1,932,737
Investments		4,353,272	839,708
Cash and cash equivalents		3,668,308	2,471,287
		<u>9,936,505</u>	<u>5,523,530</u>
Less: Creditors amounts falling due within one year	12	<u>(2,652,809)</u>	<u>(3,282,551)</u>
Net current assets		<u>7,283,696</u>	<u>2,240,979</u>
Total assets less current liabilities		136,475,425	123,976,536
Creditors: amounts falling due after more than one year	13	(22,583,000)	(15,583,000)
Deferred Capital Grants	14	(71,217,881)	(66,781,918)
Pension Liability	15	-	(2,155,000)
Net Assets		<u>42,674,544</u>	<u>39,456,618</u>
Reserves			
Share Capital	16	224	215
Income & Expenditure reserve		<u>42,674,320</u>	<u>39,456,403</u>
		<u>42,674,544</u>	<u>39,456,618</u>

These financial statements were approved by the Board on 28 June 2023 and were signed on its behalf by:

Gordon Macleod
Chair

Dena Macleod
Company Secretary

Roddy Nicolson
Board Member

The notes on pages 36 to 61 form part of these financial statements.

Statement of Cash Flows for the Year Ended 31 March 2023

		31 March 2023	31 March 2022
		£	£
Net Cash inflow from operating activities	Note 1	4,490,042	6,007,969
Cashflow from investing activities			
Purchase of tangible assets		(12,893,176)	(18,789,013)
Proceeds from sale of tangible fixed assets		626,939	1,412,741
Grants received		6,064,067	4,894,868
Interest received		16,650	2,381
Cashflow from financing activities			
Interest paid		(593,937)	(286,227)
New secured loans		7,000,000	5,091,004
Net change in cash equivalents		<u>4,710,585</u>	<u>(1,666,277)</u>
Cash and cash equivalents at the beginning of the year		3,310,995	4,977,273
Cash and cash equivalents at the end of the year		<u>8,021,580</u>	<u>3,310,996</u>
		<u>4,710,585</u>	<u>(1,666,277)</u>

The notes on pages 36 to 61 form part of these financial statements.

Notes to the Statement of Cash Flows for the Year Ended 31 March 2023

Cashflow from Operating Activities		
	2023 £	2022 £
Surplus for the year	2,676,847	2,504,134
<i>Adjustments for non-cash items:</i>		
Depreciation of tangible fixed assets	4,005,838	3,597,878
Decrease/(Increase) in stock	255,105	236,757
Decrease/(Increase) in trade and other debtors	42,505	502,197
(Decrease)/Increase in trade and other creditors	(1,139,742)	444,194
Pension costs less contributions payable	510,000	561,000
Carrying amount of tangible fixed asset disposed	(203,216)	(245,167)
<i>Adjustments for investing or financing activities:</i>		
Loss from the disposal of tangible fixed assets	(157,197)	(248,435)
Government grants utilised in the year	(1,612,107)	(1,462,709)
Interest payable	112,010	118,121
	<u>4,490,042</u>	<u>6,007,969</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTE 1 - ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements, except where noted below.

Base of Accounting

The Financial Statements of the Partnership are prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) for social housing providers issued in 2018.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments. The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Partnership. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. Hebridean Housing Partnership Ltd is a public benefit entity (PBE).

Preparation of Consolidated Financial Statements

The Financial Statements contain information about Hebridean Housing Partnership as an individual company and do not contain consolidated financial information as the parent of a group. The Partnership has taken the option not to prepare consolidated

Financial Statements due to the immateriality of the results of its subsidiary, HHP Community Housing Limited, as detailed in Note 10.

Turnover

Turnover, which is stated net of Value Added Tax, represents income receivable from lettings and service charges, fees receivable, revenue grants and other income.

Grant Income

Grant Income received is matched with the expenditure to which it relates. Social Housing Grant received as a contribution towards the capital cost of a housing development is recognised in line with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property structure and its individual components. Where grant is paid as a contribution towards revenue expenditure, it is included in turnover.

Deposit and Liquid Resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at, or close to, their carrying value.

Pension Costs

The Partnership participates in the Highland Superannuation Scheme and contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The actual pension cost is charged to the income and expenditure account based on contributions to the fund. In accordance with FRS102 the future payments in respect of the past service deficit plan have been discounted and recognised as a provision within the financial statements. When a pension plan is in a net surplus position, there is a requirement, under FRS102, to restrict the surplus where there are restrictions on the recoverability of the plan surplus.

Housing Properties

Housing properties are stated at cost less accumulated depreciation. The cost of properties is their purchase price together with capitalised repairs. Housing properties in the course of construction are stated at cost and are not depreciated. Housing properties are transferred to completed properties when they are ready for letting and are stated at cost. The development cost of housing properties includes:-

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs

Where it is considered that there has been any impairment in value this is provided for accordingly. Expenditure on schemes that are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Improvements to Housing Properties

The Partnership capitalises repairs and improvement expenditure on its housing properties which result in an enhancement of the economic benefit of the asset.

Impairment

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired. Impairment is recognised where the carrying value of an asset exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows expected from the continued use of these assets. Any impairment of assets would be recognised in the Statement of Comprehensive Income.

Shared Ownership

Shared ownership properties are split proportionately between current and fixed assets based on the first tranche proportion.

First tranche proportions will be accounted for as current assets and the related sales proceeds shown in turnover; and

The remaining element of the share ownership property will be accounted for as a fixed asset and any subsequent sale will be treated as a part disposal of a fixed asset.

Commercial Properties

Commercial Properties are valued at existing use value.

Provisions

The Partnership only provide for contractual liabilities that exist at the balance sheet date.

Taxation

Income and capital gains are generally exempt from tax if applied for charitable purposes.

Depreciation

Depreciation is charged on a straight-line basis to write off the cost of each asset, less any estimated residual value, over its expected useful life, as set out below. Assets are depreciated in the year of acquisition, from the date of their acquisition, and in the year of disposal, up to the date of disposal. Land is not depreciated.

Housing Properties & Offices

All of the major components comprised within the Partnership's housing properties and offices are treated as separable assets and their costs (after the deduction of any related social housing grant) are depreciated by reference to the expected useful life of each component, on the following basis:

	Years
Roofs	50
Kitchens	20
Bathrooms	30
Showers	10
Heating Boilers	15
Heating Systems	30
Window & Doors	25
Other External Components	15
Structure	60

Other Fixed Assets

All other Fixed Assets are depreciated by reference to the following expected useful lives:

	Years
Furniture, Fittings and Office Equipment	5
Computer Hardware and Software	4
Motor Vehicles	25% reducing balance

Sale of Housing Accommodation

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are recognised in the Statement of Comprehensive Income at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the Financial Statements.

Stock

Stocks are valued at the lower of cost and net realisable value.

Capitalisation of Development Overheads

Staff costs that are directly attributable to bringing housing properties into working condition for their intended use are capitalised.

Value Added Tax

The Partnership is registered for VAT. A large proportion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT. VAT on refurbishment works expenditure included in the development works agreement with Comhairle Nan Eilean Siar is fully recoverable. Expenditure on these works is shown net of VAT.

Bad & Doubtful Debts

Provision is made against rent arrears for current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Designated Reserves

Designated reserves are unrestricted reserves earmarked by Directors for particular purposes.

Financial Instruments

Loans provided to HHP Community Housing Limited are classed as basic under the requirements of FRS102, and are measured at amortised cost. In the case of payment arrangements that exist with customers, these are deemed to constitute financing transactions and are measured at the present value of the future payments discounted at a market rate of interest applicable to similar debt instruments.

Going Concern

The Board has assessed the Partnership's ability to continue as a going concern and have reviewed the 30 year Business Plan and its exposure to key risks through detailed sensitivity analysis.

Based on these projections and the wider information currently available, the Board consider that the Partnership has sufficient resources to meet any potential concerns and there are no material uncertainties about the Partnership's ability to continue as a going concern.

The Partnership therefore continues to adopt the going concern basis in preparing its financial statements and the period of management's going concern assessment is the period to 30 June 2024.

NOTE 2 - CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, income and expenditure.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods should it affect future periods.

The estimates and assumptions which carry a higher degree of risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. They are amended when necessary to reflect current estimates, future investment, economic utilisation and the physical condition of the assets. See notes 8 and 9 for details of the values of tangible fixed assets.

NOTE 3 - TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	2023			2022		
	Operating Turnover	Operating Costs	Operating Surplus	Operating Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Income and Expenditure from Lettings						
Social Lettings (Note 4)	13,113,615	(10,440,498)	2,673,117	12,253,874	(9,722,621)	2,531,253
Other Activities (Note 5)	1,171,235	(1,167,505)	3,730	2,387,751	(2,414,870)	(27,119)
TOTAL	14,284,850	(11,608,003)	2,676,847	14,641,625	(12,137,491)	2,504,134

NOTE 4 - PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL LETTING ACTIVITIES

	General Needs	Supported	Shared			
	Housing	Accommodation	Ownership	Other	Total	2022
	£	£	£	£	£	£
Income from rent and service charges						
Rent receivable net of service charges	10,495,727	84,687	4,028	-	10,584,442	9,973,633
Service charges	56,102	-	1,750	-	57,852	59,363
Gross Income from rents and service charges	10,551,829	84,687	5,779	-	10,642,295	10,032,996
Less voids	(65,806)	-	-	-	(65,806)	(108,470)
Net Income from rents and service charges	10,486,023	84,687	5,779	-	10,576,489	9,924,526
Release of deferred capital grant	1,612,107	-	-	-	1,612,107	1,462,709
Other Revenue Grants	925,019	-	-	-	925,019	866,639
Total Turnover from social letting activities	13,023,150	84,687	5,779	-	13,113,616	12,253,874
Expenditure						
Management and Maintenance Administration costs	2,864,454	24,588	3,688	-	2,892,730	2,663,764
Planned and Cyclical Maintenance including major repairs	1,489,247	8,886	-	-	1,498,133	1,491,660
Reactive Maintenance	1,991,432	11,053	358	-	2,002,843	1,889,388
Bad Debts-rents and service charges	40,955	-	-	-	40,955	79,931
Depreciation of social housing	3,979,322	24,389	2,127	-	4,005,838	3,597,878
Operating costs for social letting activities	10,365,410	68,916	6,173	-	10,440,499	9,722,621
Operating surplus on letting activities for 31 March 2023	2,657,740	15,771	(394)	-	2,673,117	-
Operating surplus on letting activities for 31 March 2022	2,518,272	17,156	(4,174)	-	2,531,253	2,531,253

NOTE 5 - PARTICULAR OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover		Other Operating Costs		Operating Surplus/ Deficit	
	£	£	£	2023 £	2022 £	2023 £	2022 £	2023 £	2022 £
Factoring	-	-	4,721	4,721	4,344	3,557	3,588	1,164	756
Development & construction of Property Activities	-	-	89,872	89,872	40,637	81,219	62,476	8,653	(21,839)
Sale of Developments	495,542	-	580,920	1,076,462	2,341,313	1,076,462	2,341,313	-	-
Management Services	-	-	180	180	1,457	6,267	7,493	(6,087)	(6,036)
Amortization capital reserve	-	-	-	-	-	-	-	-	-
Total from other activities 2023	495,542	-	675,693	1,171,235		1,167,505		3,730	
Total for other activities 2022	930,661	-	1,457,090		2,387,751		2,414,870		(27,119)

NOTE 6 - INTEREST RECEIVABLE AND OTHER INCOME

Interest Receivable and Other Income		
	2023	2022
	£	£
Interest receivable on deposits	16,379	2,113
Interest receivable on loan to subsidiary	271	267
	<u>16,650</u>	<u>2,381</u>

NOTE 7 - INTEREST PAYABLE AND SIMILAR CHARGES

Interest Payable and Similar Charges		
	2023	2022
	£	£
Interest Payable	537,935	296,115
Other Financing costs	103,012	43,233
Net Cost on pension	65,000	65,000
	<u>705,947</u>	<u>404,348</u>

Other financing costs include commitment, non-utilisation fees, the amortisation of transaction costs on the funding arrangements.

NOTE 8 - TANGIBLE FIXED ASSETS - SOCIAL HOUSING

Tangible Fixed Assets				
SOCIAL HOUSING	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Total £
Current Year Cost				
At start of the year	129,379,304	20,220,037	128,335	149,727,676
Additions during the year	4,371,897	8,423,318	-	12,795,214
Transfers in year	8,217,671	(8,217,671)	-	-
Impairment	(1,721,474)			(1,721,474)
Disposals	(630,294)	(10,917)	-	(641,210)
At end of year	139,617,104	20,414,767	128,335	160,160,206
Depreciation				
At start of year	(29,860,529)	-	(82,967)	(29,943,496)
Provided in year	(3,910,161)	-	(2,173)	(3,912,334)
Impairment	379,039			379,039
Eliminated on Disposal	437,995	-	-	437,995
At end of year	(32,953,656)	-	(85,140)	(33,038,796)
Net Book Value				
At end of year	106,663,448	20,414,767	43,195	127,121,410
Prior Year				
At start of the year	113,367,312	17,751,670	127,643	131,246,625
Additions during the year	4,373,495	14,850,720	692	19,224,907
Transfers in year	12,382,353	(12,382,353)	-	-
Impairment	-			-
Disposals	(743,856)	-	-	(743,856)
At end of year	129,379,304	20,220,037	128,335	149,727,675
Depreciation				
At start of year	(26,876,295)	-	(80,840)	(26,957,135)
Transfers in year	-	-	-	-
Provided in year	(3,482,923)	-	(2,127)	(3,485,051)
Impairment	5,356	-	-	5,356
Eliminated on Disposal	493,333	-	-	493,333
At end of year	(29,860,529)	-	(82,967)	(29,943,497)
Net Book Value				
At end of year	99,518,775	20,220,037	45,367	119,784,179

Development administration costs capitalised amounted to £196,719 (2022: £172,008) for which Social Housing Grants amounting to £nil (2022: £nil) were received in the year.

The loss on sale of property disposals in the year were £2,781 (2022: loss of £nil).

The cost of new components capitalised in the year was £12,589,568 (2022: £16,755,848). Components with a cost of £630,294 (2022: £743,856), HAG of £80,456 (2022: £161,296) and accumulated depreciation of £437,994 (2022: £493,333) were disposed of in the year.

NOTE 9 - TANGIBLE FIXED ASSETS - PROPERTY, PLANT & EQUIPMENT

TANGIBLE FIXED ASSETS								
Property, Plant & Equipment	Heritable Property £	Commerical Property £	Office Equipment £	Computer Equipment £	Non-Housing Work In Progress £	Motor Vans £	Other Equipment £	Total £
Current Year Cost								
At start of the year	908,190	930,708	93,224	578,963	227,409	38,950	95,873	2,873,317
Additions during the year	-	-	1,296	12,548	127,155	-	-	140,999
Transfers in year	71,447	-	-	-	-	-	-	71,447
Disposals	-	-	-	(1,325)	-	-	-	(1,325)
At end of year	979,637	930,708	94,520	590,186	354,564	38,950	95,873	3,084,438
Depreciation								
At start of year	-	(239,053)	(92,585)	(475,593)	-	(19,425)	(95,287)	(921,943)
Transfers in year	-	-	-	-	-	-	-	-
Provided in year	-	(24,131)	(148)	(63,746)	-	(5,288)	(190)	(93,503)
Eliminated on Disposal	-	-	-	1,325	-	-	-	1,325
At end of year	-	(263,184)	(92,733)	(538,014)	-	(24,713)	(95,477)	(1,014,121)
Net Book Value								
At end of year	979,637	667,524	1,787	52,172	354,564	14,237	396	2,070,317
Prior Year								
At start of the year	1,006,479	930,708	92,486	538,504	-	38,950	95,112	2,702,239
Additions during the year	-	-	738	40,460	227,409	-	761	269,368
Transfers in year	(98,289)	-	-	-	-	-	-	(98,289)
Disposals	-	-	-	-	-	-	-	-
At end of year	908,190	930,708	93,224	578,963	227,409	38,950	95,873	2,873,318
Depreciation								
At start of year	-	(214,922)	(92,272)	(394,636)	-	(12,172)	(95,113)	(809,115)
Transfers in year	-	-	-	-	-	-	-	-
Provided in year	-	(24,131)	(312)	(80,957)	-	(7,252)	(174)	(112,827)
Eliminated on Disposal	-	-	-	-	-	-	-	-
At end of year	-	(239,053)	(92,585)	(475,593)	-	(19,425)	(95,287)	(921,942)
Net Book Value								
At end of year	908,190	691,654	640	103,371	227,409	19,525	587	1,951,376

NOTE 10 - INVESTMENTS

Investments			
	2023	2022	
	£	£	
Investment in subsidiary undertaking	1	1	
Investment in Hebrides Energy CIC	1	1	
	<u>2</u>	<u>2</u>	
	<i>Activity</i>	<i>Registered</i>	<i>Shareholding</i>
HHP Community Housing Ltd	Dormant	Scotland	100%
Hebrides Energy	Offer competitive electricity tariffs	Scotland	11.1%

NOTE 11 - TRADE & OTHER RECEIVABLES

Trade and other receivables		
	2023	2022
	£	£
Rental Arrears	187,483	197,318
Less: provision for bad debts	(168,174)	(157,488)
	<u>19,309</u>	<u>39,830</u>
Amounts owed by subsidiary undertaking (due within 1 year)	18,350	18,079
Other debtors	1,150,571	1,194,735
Prepayments and accrued income	499,630	448,712
Other debtors (due in more than 1 year)	202,372	231,381
Total	<u>1,890,232</u>	<u>1,932,737</u>

NOTE 12 - CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

Creditors-Amounts falling due within one year		
	2023	2022
	£	£
Trade payables	699,223	1,053,226
Contract retentions	287,210	243,439
Accruals and deferred income	928,200	1,412,467
Rent in advance	272,960	97,867
HAG creditor	464,262	474,598
RTB Receipts Repayable on demand	954	954
Total	<u>2,652,809</u>	<u>3,282,551</u>

Outstanding retentions will be financed initially from cash balances.

NOTE 13 - CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Creditors-Amounts falling due after more than one year		
	2023	2022
	£	£
Bank term loans	17,000,000	10,000,000
RTB Receipts due to the Scottish Government	5,583,000	5,583,000
Total	22,583,000	15,583,000
Bank Term loans are secured by specific charges on the Partnership's properties and are repayable at varying rates of interest.		
The above creditors are due are follows:		
	£	£
Between one and two years	-	-
Between two and five years	-	-
In five years or more	22,583,000	15,583,000
	22,583,000	15,583,000

At the year end the Partnership's outstanding loan balance was £17 Million. A committed facility of £25 Million was available from the Royal Bank of Scotland along with an uncommitted overdraft facility of £0.250 Million. Loan arrangement fees incurred in setting up this facility are included in debtors and are being amortised over the period of the loan. Security has been granted in accordance with the restated loan agreement to the Royal Bank for the period of the lending facility.

NOTE 14 - DEFERRED CAPITAL GRANTS

Deferred Capital Grants					
	Housing Properties held for letting £	Housing Properties under construction £	Shared Ownership held for letting £	Property Plant & Equipment £	Total £
Current Year Cost					
At start of the year	(51,758,090)	(14,208,850)	(43,259)	(771,720)	(66,781,919)
Additions during the year	(976,647)	(5,087,420)	-	-	(6,064,067)
Disposals during the year	15,997	-	-	-	15,997
Transfers in year	(5,324,076)	5,324,076	-	-	-
Amortised in year	1,609,870	-	2,060	177	1,612,107
At end of year	(56,432,945)	(13,972,194)	(41,199)	(771,543)	(71,217,881)
Prior Year					
At start of the year	(44,867,368)	(16,631,908)	(45,318)	(771,897)	(62,316,492)
Additions during the year	(817,605)	(5,271,826)	-	-	(6,089,431)
Disposals during the year	161,296	-	-	-	161,296
Transfers in year	(7,694,885)	7,694,885	-	-	-
Amortised in year	1,460,473	-	2,060	177	1,462,709
At end of year	(51,758,090)	(14,208,850)	(43,259)	(771,720)	(66,781,918)

NOTE 15 - PROVISIONS FOR LIABILITIES & CHARGES

Pension Fund		
	2023 £	2022 £
At 1 April 2022	2,155,000	2,937,000
Created in Year	(4,525,000)	(782,000)
Restriction in Pension Surplus	2,370,000	
At 31 March 2023	-	2,155,000

NOTE 16 - SHARE CAPITAL

Share Capital		
	2023	2022
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2022	215	210
issued during period	9	5
At 31 March 2023	224	215

Shares were held by the following Board members during the year:

- Calum Mackay
- Iain Macmillan
- Alex Gardner
- Roddy Nicolson
- Gordon Macleod
- Helen Mackenzie
- Alison MacCorquodale
- Fiona Knape
- Norman A Macdonald

NOTE 17 - KEY MANAGEMENT EMOLUMENTS

OFFICER'S EMOLUMENTS		
	2023	2022
	£	£
Senior Officers are defined as the Chief Executive, the Director of Finance & Corporate Services and Director of Operations		
Aggregate emoluments payable to Directors exceeding £60,000 (excluding pension contributions and benefits in kind)	240,105	228,810
Emoluments payable to the highest paid officer (excluding pension contributions)	93,927	90,767
During the period the Directors' emoluments (excluding pension contributions) fell within the following band distributions:		
More than £60,000 but not more than £70,000	-	2
More than £70,000 but not more than £80,000	2	-
More than £80,000 but not more than £100,000	1	1
Pension contributions	43,101	41,074
The directors are members of the Highland Superannuation Fund and employer's contributions are paid on the same basis as other members of staff.		
Total Expenses reimbursed in so far as not chargeable to UK Income Tax	654	622

NOTE 18 - EMPLOYEE INFORMATION

The average number of persons employed during the year was: 53

At 31 March 2023 the number of employees of the Partnership, including Directors, was 47 (FTE), (2022 - 46 FTE).

EMPLOYEE INFORMATION		
	2023	2022
	£	£
Staff costs (for the above persons)		
Wages and Salaries	1,700,057	1,580,800
Social Security costs	178,427	157,940
Employers' pension costs	308,769	285,275
FRS102 Pension Adjustment (Note 22)	510,000	561,000
	<u>2,697,253</u>	<u>2,585,016</u>
Staff costs capitalised	<u>(634,630)</u>	<u>(620,484)</u>
	<u>2,062,623</u>	<u>1,964,532</u>

NOTE 19 - OPERATING SURPLUS

OPERATING SURPLUS		
	2023	2022
	£	£
Operating surplus is stated after charging:		
Depreciation	4,005,837	3,597,878
Amortised capital grants	(1,612,107)	(1,462,709)
Repairs:cyclical, major, day to day	3,500,975	3,381,049
Auditor's remuneration		
-in their capacity as auditors	11,340	11,340
-in respect of other services	-	-
	<u> </u>	<u> </u>

NOTE 20 - TAXATION

The Partnership is a registered charity and is therefore exempt from Corporation Tax on its charitable activities. No corporation tax was due on the non-charitable activities in the year (2022: nil).

NOTE 21 - CAPITAL COMMITMENTS

CAPITAL COMMITMENTS		
	2023	2022
	£	£
Capital expenditure which has been contracted for but has not been provided for in the financial statements	14,186,147	18,822,421
Capital expenditure which has been authorised by the Board but is not contracted	<u>35,303,753</u>	<u>33,747,679</u>
	<u>49,489,900</u>	<u>52,570,100</u>
This is to be funded by:		
Funding from the Scottish Government	21,747,400	23,066,500
Private Finance	<u>27,742,500</u>	<u>29,503,600</u>
	<u>49,489,900</u>	<u>52,570,100</u>

NOTE 22 - PENSIONS

The Partnership participates in the Highland Superannuation Fund (HSF) which, as part of the Local Government Pension Scheme is a defined benefit statutory scheme. From 1 April 2011 the scheme has operated the career average revalued earnings with 1/120th accrual benefit rate. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pension over employees' working lives. These contributions are determined by formal actuarial valuation which takes place every three years, the last valuation was to 31 March 2020. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period, the Partnership paid contributions at a rate of 18% of pensionable salaries.

There were 52 active members of the Scheme employed by the Partnership. All new employees join the scheme and have the option to withdrawn after a short period if they so choose.

The fund is administered by Highland Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. As the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the scheme as at 31 March 2023. The funding update revealed a decrease in the assets of the Scheme to £12.848 million and for the first time showed a new asset compared to liabilities of approximately £2.370 million. Under FRS102, the net surplus has been restricted as we are unable to recover the surplus through reduced contributions or refunds from the plan.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 31 March 2020.

Employer Membership Statistics			
	Number	Total Salaries/Pensions £000's	Average Age
	31-Mar-20	31-Mar-20	31-Mar-20
Actives	52	1482	52
Deferred Pensioners	28	63	51
Pensioners	18	172	66

Investment Returns

The return on the Fund in market value terms for the period to 31 March 2023 is estimated below based on actual Fund returns as provided by the Administering Authority and index returns where necessary. Details are below:

Actual returns from 1 April 2022 to 31 March 2023	(2.90%)
---	---------

Major Categories of Plan Assets as a % of Total Plan Assets

The bid value of the Fund's assets are estimated to be £2,389,637,198 based on information provided by the Administering Authority.

Period Ended	31-Mar-23	31-Mar-22
Equities	69%	63%
Bonds	11%	12%
Property	15%	15%
Cash	5%	10%

Financial Assumptions

Period Ended	31-Mar-23	31-Mar-22
Pension increase Rate	2.95%	3.20%
Salary increase Rate	3.75%	4.00%
Discount Rate	4.75%	2.70%

Historic Mortality

Period Ended	Current Pensioners	Future Pensioners
31-Mar-23	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a	CMI 2021 model, with a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

Changes in Fair Value of Plan Assets Defined Obligation & Net Liability For The Year Ended 31 March 2023

Period ended 31 March 2023	Assets £000's	Obligations £000's	Net Liability/ Asset £000's
Fair Value of Plan Assets	13,022	-	13,022
Present Value of liabilities	-	15,147	(15,147)
Present value of unfunded liabilities	-	30	(30)
Opening Position at 31 March 2022	13,022	15,177	(2,155)
Service Cost	-	824	(824)
Net Interest			
Interest income on plan assets	354	-	354
Interest cost on defined benefit obligation	-	419	(419)
Total Net interest	354	419	(65)
Total defined benefit cost recognised in P & L	354	1,243	(889)
Cashflows			
Plan Participants contributions	114	114	-
Employers contributions	313	-	313
Contributions in respect of unfunded benefits	1	-	1
Benefits paid	(216)	(216)	-
Unfunded benefits paid	(1)	(1)	-
Expected closing position	13,587	16,317	(2,730)
Remeasurements			
Changes in demographic assumptions	-	(106)	106
Changes in financial assumptions	-	(6,493)	6,493
Other experience	-	760	(760)
Return on assets excluding amounts in net interest	(739)	-	(739)
Total remeasurements recognised in Other Comprehensive Income (OCI)	(739)	(5,839)	5,100
Fair Value of plan assets	12,848	-	12,848
Present value of funded liabilities	-	10,454	(10,454)
Present value of unfunded liabilities	-	24	(24)
Closing position at 31 March 2023	12,848	10,478	2,370

NOTE 23 - PROPERTY STOCK

The number of units of accommodation owned by the Partnership was as follows:

Property Stock				
The number of units of accommodation owned by the Partnership was as follows:				
	Units in Management		Units under Development	
	2023	2022	2023	2022
Unimproved				
New Build	538	526	137	96
Improved	1,783	1,761	-	-
General Needs Housing	2,321	2,287	137	96
Shared Ownership Accommodation	3	3	-	-
Supported Housing Accommodation	20	20	-	-
Total Housing Stock	2,344	2,310	137	96
Other Property				
Garages	42	42	-	-
Commerical	6	6	-	-
Heritable-Partnership's offices	3	3	-	-
Total Other Property	51	51	-	-

NOTE 24 - REVENUE COMMITMENTS

Operating Leases		
	2023	2022
At 31 March 2023 the Partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:	£	£
Within one year	404	2,426
In the second to fifth year inclusive	-	-
	404	2,426

NOTE 25 - RELATED PARTY TRANSACTIONS

Board Members

During the period the tenancies held by tenant Board Members were held on normal commercial terms and they are not able to use their position to their advantage.

The Partnership retains a register of Members' interests. There are no interests in related parties requiring to be declared.

Transactions entered into with members and rent arrear balances at 31 March 2023 are as follows:

Rent Charges	£5,275.92
Arrears	£42.01

Any transactions with the Comhairle are made at arm's length, on normal commercial terms and the Councillors cannot use their positions to their personal advantage.

HHP Community Housing Ltd

HHP Community Housing Ltd is a wholly owned subsidiary of Hebridean Housing Partnership, a company incorporated in Scotland. All of the directors are Board Members of HHP.

At the year-end HHP Community Housing Ltd owed Hebridean Housing Partnership £18,350 (2022: £18,079) which is included in other debtors Note 11.

NOTE 26 - LEGISLATIVE PROVISIONS

Hebridean Housing Partnership Limited ("HHP" or "The Partnership") is registered under the Co-operative and Community Benefit Societies Act 2014 (previously known as the Industrial and Provident Societies Act 1965) and is a Housing Association registered with Scottish Housing Regulator (previously Communities Scotland) under the Housing (Scotland) Act 2010. HHP has charitable status and is registered with OSCR.



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S). Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SC035767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773

Registered Number: SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

HHP COMMUNITY HOUSING LIMITED
CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

	Page
Company Information	1
Report of the Directors	2
Financial Statements	4
Notes to the Financial Statements	8

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

DIRECTORS:

C Mackay
Iain Gordon Macleod
Roderick Nicolson

SECRETARY:

C Mackay

REGISTERED OFFICE:

Gleann Seileach Business Park
Willowglen Road
Stornoway
Isle of Lewis
HS1 2QP

REGISTERED NUMBER:

SC379412 (Scotland)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

The Directors present their report with the financial statements of the Company for the period 1 April 2022 to 31 March 2023.

PRINCIPAL ACTIVITY

During the financial year the Company has not traded and has received no income and the only expenditure incurred is with respect to subsidiary loan interest payable.

INCORPORATION

The Company was incorporated on 1 June 2010.

DIRECTORS

The Directors who have held office during the year from 1 April 2022 to the date of this report are as follows:

Directors	Changes during the year	
	Appointed	Resigned
Calum Mackay	13 Sep 2012	
Iain Gordon Macleod	23 Jun 2021	
Roderick Nicolson	23 Jun 2021	
Fiona Macleod	23 Jun 2021	25 May 2022

All Directors who are eligible offer themselves for election at the forthcoming Annual General Meeting.

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

STATEMENT OF DIRECTORS

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial positions of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

ON BEHALF OF THE BOARD

Director:

27 June 2023

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

INCOME & EXPENDITURE ACCOUNT

		31 March 2023	31 March 2022
		£	£
	Notes		
Turnover		-	-
Operating Costs		-	-
Operating Surplus		-	-
Surplus on sale of fixed assets			
-housing properties		-	-
-other assets		-	-
Interest receivable and other income		-	-
Interest payable and other charges		(271)	(267)
Loss on ordinary activities, before transfer to Reserves		(271)	(267)
Tax on surplus on ordinary activities		-	-
Deficit for the Year		(271)	(267)
Revenue Reserve at 1 April 2022		(18,079)	(17,812)
Revenue Reserve at 31 March 2023		(18,350)	(18,079)

HHP COMMUNITY HOUSING LIMITED
FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2022 TO 31 MARCH 2023

BALANCE SHEET

		31 March 2023 £	31 March 2022 £
	Notes		
Current Assets			
Cash at bank and in hand		1	1
		1	1
Creditors: amounts falling due within one year	2	(18,350)	(18,079)
Net current assets		(18,349)	(18,078)
Total assets less current liabilities		(18,349)	(18,078)
Capital and Reserves			
Called up Share Capital	3	1	1
Revenue Reserve	4	(18,350)	(18,079)
SHAREHOLDERS FUNDS		(18,349)	(18,078)

AUDIT EXEMPTION STATEMENT

The Company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 March 2023 relating to small companies.

The Members have not required the Company to obtain an audit of its financial statements for the period ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006

For the financial year ended 31 March 2023 the Company was entitled to exemption from audit under Section 480 Companies Act 2006 relating to dormant companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of the Companies Act 2006; and
- The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 27 June 2023

Director:

Company Registration No: SC379412

The notes form part of these financial statements.

1. ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company.

Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

2. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Intercompany Creditor	18,350	18,079

3. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	2023	2022
			£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

1 Ordinary share of £1 was allotted and fully paid for cash at par during the period

4. REVENUE RESERVE

	2023	2022
	£	£
Accumulated surplus at 1 April 2022	(18,079)	(17,812)
Loss for the year	<u>(271)</u>	<u>(267)</u>
Accumulated surplus at 31 March 2023	<u>(18,350)</u>	<u>(18,079)</u>

BUDGETARY PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2023

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present a report on the performance against budget for the year ended 31 March 2023 to the Board including an overview of Board Members' expenses and consultancy spend for the year as per Appendix 1.

Summary

- 2.1 The Board approved in March 2022 a budget with an operating surplus of £1.54M. The final operating surplus was £0.94M mainly driven by a £1.3M impairment loss on infra-red heating systems. Appendix 1 provides commentary on the £0.6M net budget overspend.
- 2.2 A calculation of covenant compliance for the year has been prepared at Appendix 2 which confirms we have complied with all covenants for the year ended 31 March 2023.

Competence

- 3.1 The legal, financial or other constraints to any recommendation in this report are contained in paragraph 5.1 – 8.1.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the performance against budget for the year ended 31 March 2023 as at Appendix 1;**
 - b) **note the Financial Covenant for 2022/23 as at Appendix 2; and**
 - c) **approve a recommendation to the AGM that £5,000, or another sum, of the surplus be donated to local charities during 2023/24.**

APPENDIX 1:	Budgetary Performance for 2022/23
APPENDIX 2:	Financial Covenant 2022/23
Background Papers:	Corporate Sponsorship 17 March 2012
Writer of Report:	Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Report deals with how the financial resources of the Partnership have been utilised.

Legal

- 6.1 The following Partnership rules are applicable:
- | | |
|-----------|--|
| Rule 79.1 | The Partnership must not distribute its surpluses to Members. |
| Rule 79.2 | The Board shall set and review periodically its policy for the donation of funds to charities. Such donations must further the objects of the Partnership and the Board shall report to the Members on such donations. |
- 6.2 The following Standing Orders are applicable:
- Part 2 – 2.1a) Approval and Amendment of Strategy, Business Plans and Budgets, including virements to or from a budget head to the value as defined in the Financial Regulations.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

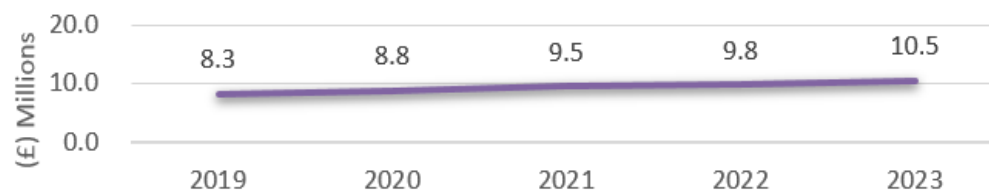
- 8.1 The budgets approved by the Board ensure that the Financial Covenant for the financial year will be achieved. Failure to contain spend within approved budgets could result in the Financial Covenant not being achieved with the corresponding penalties being applied by the Funder which could have a significant impact on our finances. The Financial Covenant for 2022/23 was an Interest Cover Covenant of 110% and a Gearing covenant of 30%. Appendix 2 shows the covenant position at 31 March 2023 being met with an interest cover of 286% and gearing of 12%.

Report Details

- 9.1 Actual performance has been reviewed against budget and the report at Appendix 1 provides explanations for material variances against approved budgets.
- 9.2 In June 2022 the Board approved a recommendation to the membership of the AGM that £5,000 be donated to 5 local charities. The donations were very much appreciated by the local charities, and it is proposed that a similar recommendation be placed before the membership of the 2023 AGM.

Line	2018/19 ACTUAL £	2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2022/23 BUDGET £	VARIANCE £	%
1 Net Rental Income	(8,250,863)	(8,787,442)	(9,479,361)	(9,785,232)	(10,477,681)	(10,343,297)	134,384	(1.3%)
2 Grants	(489,690)	(624,038)	(763,072)	(866,639)	(925,019)	(890,000)	35,019	(3.9%)
3 Grant Amortisation	(1,249,903)	(1,288,781)	(1,382,934)	(1,462,709)	(1,612,107)	(1,548,300)	63,807	(4.1%)
4 (Profit)/Loss on Disposal of Assets	117,424	242,482	206,411	248,435	1,499,632	165,000	(1,334,632)	(808.9%)
5 Other Income	(1,422,484)	(1,019,333)	(2,085,220)	(2,406,477)	(1,139,215)	(1,132,592)	6,623	(0.6%)
6 Interest Received	(15,330)	(23,045)	(5,438)	(2,381)	(16,650)	(16,100)	550	(3.4%)
7 Total Income	(11,310,845)	(11,500,158)	(11,489,114)	(14,275,003)	(12,671,041)	(13,765,289)	(1,094,248)	7.9%

Net Rental Income



Net Rental Income (better than budget by 1.3%)

- Bad debt write off & improved bad debt provision at year end due to a reduction in the value of account property debtors.

Grant Amortisation (better than budget by £64K)

- Low Carbon Infrastructure Transition Programme (LCITP) Grants.

Grant Income (better than budget by £64K)

- Accrued OT Grant £23K and £12K additional RHI Income.

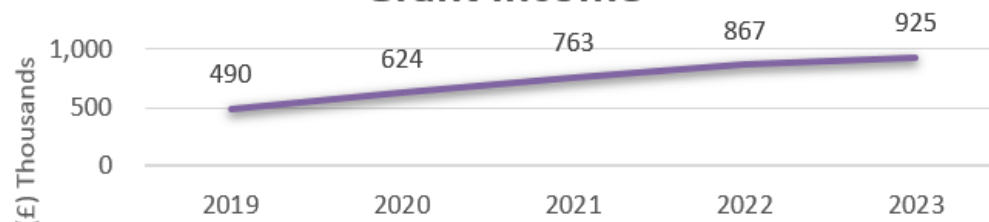
(Profit)/Loss on Disposal of Assets (over budget by £1.3m)

- This is due to the impairment of 200 infra-red replacements approved by board in February 2023.

Other Income (better than budget by £6.6K)

- £1.1m of NSSE Sales & Grant at Sinclair Avenue & Sgeir Ghlais.

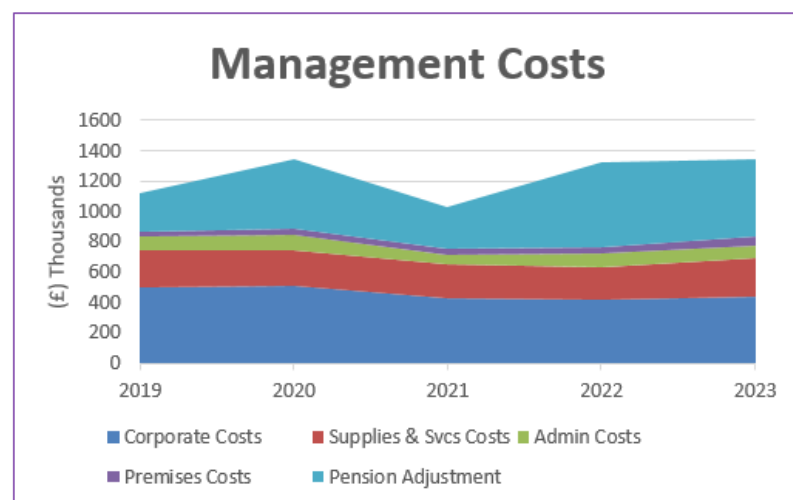
Grant Income



Management Costs

Line	2018/19 ACTUAL £	2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2022/23 BUDGET £	VARIANCE £	%
1 Employee Costs	1,249,647	1,154,635	1,958,197	2,029,322	2,205,017	2,338,598	133,581	5.7%
2 Pension Adjustment*	252,000	460,000	275,000	561,000	510,000	65,000	(445,000)	(684.6%)
3 Premises Costs	38,379	38,086	46,299	47,466	60,836	65,280	4,444	6.8%
4 Supplies and Services	249,755	239,484	226,479	211,542	250,922	260,564	9,642	3.7%
5 Administration Costs	83,500	97,343	53,976	84,812	77,619	96,333	18,714	19.4%
6 Corporate Expenses	498,574	507,104	428,523	423,663	441,856	461,030	19,174	4.2%
7 Total Management Costs	2,371,855	2,496,652	2,988,474	3,357,805	3,546,251	3,286,805	(259,446)	(789.4%)

*Pension Adjustment is based on actuarial valuation provided at year end



Employee Costs (better than budget by £134K)

- £115K underspend on Salaries and associated costs (NI & Pensions) due to vacant posts throughout the year
- £11K underspend on Travel & Subsistence due to remote meetings driving costs down as well as £8K underspend on uniforms and mileage (due to increased electric car usage)

Premises Costs (better than budget by £4K)

- Annual office maintenance work delayed until April 2023.

Supplies and Services (better than budget by £10K)

- Accounting System upgrades have been completed £5K under budget.
- Software Licence Costs savings (£3K) due to Digiboost Grant received in the year.

Administration Costs (better than budget by £19K)

- Community Support was £7K under budget as a result of only one Grant Application received and paid.
- Postage & Printing savings of £4K due to reduction in outgoing mail and printing as we continue our digital transformation as well as £4K savings on Training Courses as the majority were delivered remotely.

Corporate Expenses (better than budget by £19K)

- Consultancy Spend was £9K less than budget, with no spend on treasury consultant in the year.
- Insurance costs £2K under budget due to delay in the HWEC completion
- Remote board meetings and training resulted in savings of £4K on Governance and delays in launch of new housing management system resulted in less spend on marketing (£4K).

Response Repairs & Planned Maintenance

Line	2018/19 ACTUAL £	2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2022/23 BUDGET £	VARIANCE £	%
1 General Repairs	1,215,311	1,321,003	1,495,856	1,675,204	1,781,901	1,739,386	(42,515)	(2.4%)
2 Specific Repairs	63,967	92,317	42,143	60,080	78,223	84,835	6,612	7.8%
3 Rechargeable Repairs	23,433	59,075	10,552	1,356	(4,661)	16,500	21,161	128.2%
4 Insurance Repairs	47,696	39,221	64,273	133,438	84,423	88,000	3,577	4.1%
5 Non-Dwelling Repairs	18,953	20,753	22,212	19,311	62,957	50,878	(12,079)	(23.7%)
6 Total Response Repairs	1,369,359	1,532,369	1,635,035	1,889,388	2,002,842	1,979,599	(23,244)	(1.2%)
7 Planned Maintenance	652,698	650,768	889,028	793,832	952,317	983,026	30,709	3.1%
8 Estate Works	74,071	129,289	65,930	140,339	93,115	98,310	5,195	5.3%
9 Total Planned Maintenance	726,770	780,058	954,958	934,171	1,045,432	1,081,336	35,904	3.3%

General Repairs (£42.5K over budget)

- The average cost of General Repairs has exceeded our budget assumption as inflation continues to rise. This has resulted in a £43K overspend.

Specific Repairs (under budget by £7K)

- Reduction in the value of compensation payments driving the underspend.

Rechargeable Repairs (under budget by £21K)

- Increase in the value of rechargeable repairs recovered through invoicing.

Non-Dwelling repairs (£12K over budget)

- Estimated billings from utility providers for Communal Lighting, coupled with the rising cost of energy driving the increase in energy prices this year.

Planned Maintenance (£31K better than budget)

- EICR remedial works undertaken within the investment programme.

Capital Investment

Line	2018/19 ACTUAL £	2019/20 ACTUAL £	2020/21 ACTUAL £	2021/22 ACTUAL £	2022/23 Actual £	2022/23 BUDGET £	VARIANCE £	%
1 Investment Programme	3,875,911	4,235,093	2,545,443	4,284,001	3,968,862	4,674,601	705,739	15.1%
2 Development Programme	4,095,038	2,500,262	951,903	8,995,105	3,031,642	3,146,356	114,714	3.6%
3 Non-Housing Investment	197	210,783	40,141	266,021	142,778	159,210	16,432	10.3%
4 Total Capital Investment	7,971,146	6,946,138	3,537,487	13,545,128	7,143,283	7,980,167	836,884	10.5%

Investment Programme (Underspend of £706K)

- Insulation works (Difficulties with tendering) resulted in works beginning much later than planned meaning a large portion of the insulation budget was not spent this year.
- High tender prices on Windows & Doors this year led to a failure to appoint a contractor and a decision to delay until 2023/24 in the hope that an improved tendering environment would allow for better value for money.

Development Programme (Underspend of £115K)

- Late delays at Barra Cleit Road (transport problems) and Crowlista, Uig (Additional required works on Care Unit) which prevented completion within the year, generating an underspend of £115K.

CONSULTANCY SPEND 2022/23							
Area	Consultant	Cost (£)	Budget (£)	Responsible Officer	Scope of Works	Summary of Performance	Value for Money (Y/N)
Consultants General	Corgi Technical Services	5,016	5,000	John Maciver	Gas safety auditing & Report	Audit carried out as planned and report provided timeously	Y
Consultants General	Robert Potter & Partners	5,219	13,000	Donald Macleod	Architectural Services, Briefing meetings, site visits, and strategic option proposals.	Plans prepared as requested with costs held at pre-covid tender levels despite work being performed almost 2 years later	Y
Consultants General	Tenant Participation Advisory Service	22,355	27,500	John Maciver	Development of tenant participation opportunities.	progress on TP development not as positive as expected.	N
Property Consultants	ALT Procurement	8,300	8,300	John Maciver	Pre-tender, Tender Development, Tender Issue, Evaluation, & Reward	Very responsive and comprehensive service and procurement completed on target.	Y
Property Consultants	Pick Everard	4,450	4,500	John Maciver	Insurance reinstatement cost assessment of housing with extra care and Gibson Gardens.	Valuations provided in accordance with insurance requirements	Y
VAT Consultants	Azets	1,104	1,200	Donald Macleod	Communal heating recharge VAT liability advice.	VAT advice with respect to the new Goathill HVEC facility.	Y

BOARD MEMBER EXPENSES 2022/23

- 1.1 Expenses are claimed at the end of every calendar month using the approved Claim Form with all necessary receipts attached.
- 1.2 All Claim Forms are checked and approved for payment by the Company Secretary and payment made within 10 working days.
- 1.3 The chart overleaf details the areas of expenditure incurred during the year against budget.
- 1.4 There has been an overall underspend of 81% on the total budget allocated to Board Members.
- 1.5 Reasons for underspend are:
 - a) all Boards meetings have been held remotely since 23 March 2020, therefore there has been a small amount of travel expenses incurred:

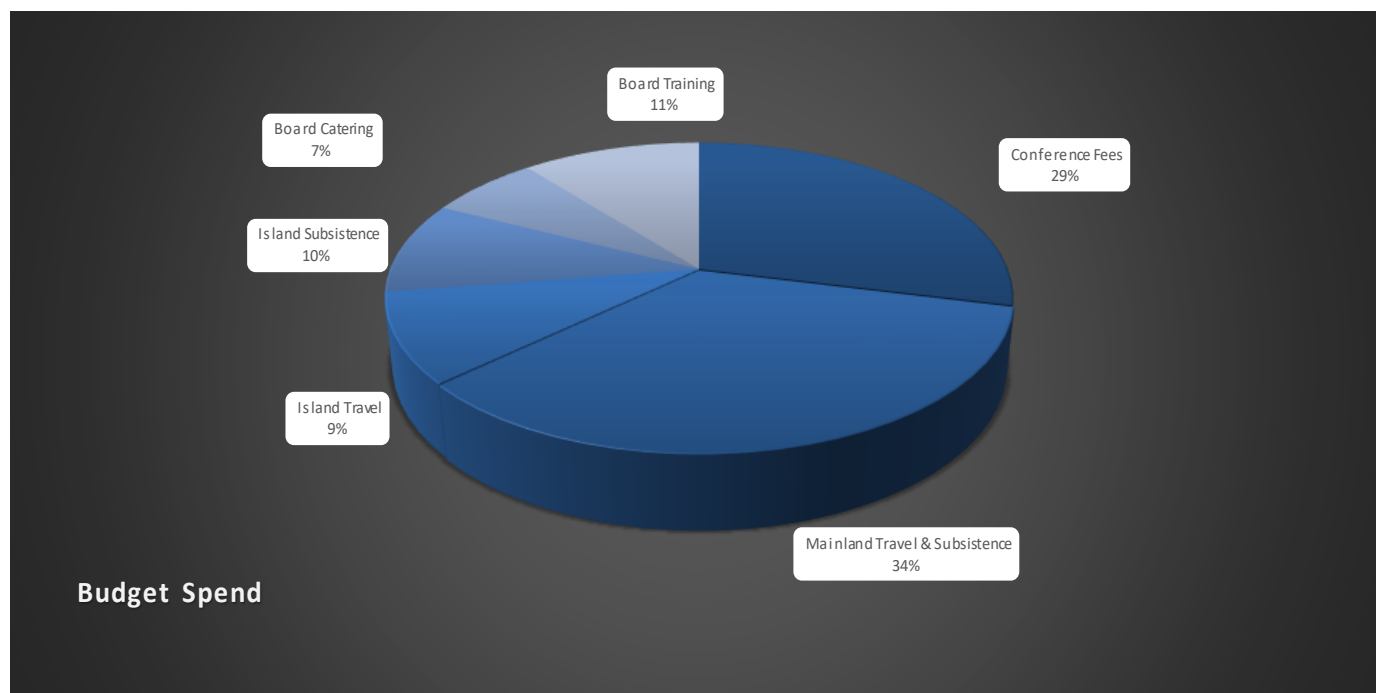
Target Attendance	85%
Actual for 2022/23	72%
Actual for 2021/22	71%
Actual for 2020/21	86%
Actual for 2019/20	79%

- b) A number of training events were held remotely, with a few in person sessions, reducing the spend on travel and subsistence.

Target Attendance	85%
Actual for 2022/23	67%
Actual for 2021/22	30%
Actual for 2020/21	57%
Actual for 2019/20	47%

- 1.6 There was one Board training event for the year related to updates to Board training for landlords.

BOARD MEMBERS' EXPENSES



	Conference Fees	Mainland Travel	Mainland Subsistence	Island Travel	Island Subsistence	Board Training	Board Catering	Total
Calum Mackay	-	-	-	-	-	-	-	-
Alex Gardner	-	-	-	114.00	-	-	-	114.00
Roddy Nicolson	-	20.50	-	-	-	-	-	20.50
Donald Macsween	-	-	-	-	-	-	-	-
Iain M Macleod	-	-	-	-	-	-	-	-
Finlay Stewart	-	-	-	-	-	-	-	-
Gordon Macleod	578.00	324.04	107.99	-	-	-	-	1,010.03
Norman A Macdonald	-	-	-	-	-	-	-	-
Helen Mackenzie	-	-	-	-	-	-	-	-
Alison MaCorquodale	-	241.55	-	74.99	194.25	-	-	510.79
Fiona Knappe							-	
Board Catering	-	-	-	-	-	-	135.90	-
Board General	-	-	-	-	-	220.00	-	220.00
Totals	578.00	586.09	107.99	188.99	194.25	220.00	135.90	2,011.22
Budget Allocation for 2022/23								£10,830.00
Board & Area Committee Members Budget Allowance Underspend								81%

APPENDIX 2

Line	Detail	YTD
1	Adjusted Operating Surplus	£ 1,629,916
2	Add back Depreciation	£ 4,005,838
3	Add back Profit/(Loss) on sale of LIFT properties	£ -
4	Deduct Capitalised Investment (inc OT)	(£ 3,670,164)
5	Add back Deferred Works Capitalised Investment	£ 272,600
6	Deduct Pension Contributions	£ -
7	Deduct Amortisation	(£ 1,612,107)
8	Add Back Impairment Loss	1,342,435
9	Adjusted Operating Surplus	£ 1,968,517
10	Interest Payable	£ 705,947
11	Interest Receivable	£ 16,650
12	Net Interest Payable	£ 689,297
13	Covenant for 22/23	110%
14	Adjusted Operating Surplus as percentage of Net interest Payable	286%
15	Headroom	£ 1,210,290
16	Historic Cost of Properties	£ 139,745,439
17	Financial Indebtedness	£ 17,000,000
18	Gearing Covenant for 21/22	30%
19	Gearing	12%

SHR RETURNS 2022/23

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Loan Portfolio Return (2022/23) and Audited Financial Statements (2022/23 required by the Scottish Housing Regulator (SHR) for consideration and approval.

Summary

- 2.1 The SHR require RSLs to submit three returns on an annual basis. The Loan Portfolio Return as at Appendix 1, the Audited Financial Statements and the Five Year Financial Plans which was approved by the Board in May 2023 and has subsequently been submitted to the SHR.
- 2.2 The SHR has not yet opened the Audited Financial Statements return on the portal, but this return will be filed as per the Audited Financial Statements at Board Item 6.2.
- 2.3 An updated Loan Portfolio Statement Return was filed with the SHR in December 2022 following the drawdown of the remainder of Facility B of our new borrowing facility. We are now required to file the annual return and there are no changes to the return other than an update on the final covenant position for the year and an update to the number of housing units owned.

Competence

- 3.1 Submission of the return at Appendix 1 will ensure the Partnership's regulatory requirements are met.

Recommendations

- 4.1 **It is recommended that the Board approve for submission to the Scottish Housing Regulator the:**
- a) **Loan Portfolio Return for 2022/23 as at Appendix 1; and**
 - b) **Audited Financial Statements as at Board agenda item 6.2 once the Regulator has opened the portal for submissions.**

APPENDIX 1: Loan Portfolio Return 2022/23

Background Papers: None

Writer of Report: Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Loan Portfolio Statement provides an overview to the regulator of our borrowing position in terms of total debt drawn versus the total facility available. It also provides an overview of any covenants which accompany the facility and how we have performed against each covenant.

Legal

- 6.1 The Partnership's Rule 69 states that "The Partnership must keep proper books of account to cover its income, expenditure transactions and its assets, liabilities and reserves in line with sections 75 and 76 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices".
- 6.2 The Board has ultimate responsibility for the Partnership's finances and in accordance with the Financial Regulations the Board has the responsibility to ensure compliance with any financial covenants.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The risk of not complying with the Legal Statutory requirements has been mitigated by completing the preparation of the loan portfolio statement and its subsequent filing, following Board approval by 30 June 2023.

Loan Portfolio Annual Return 2022-2023



Scottish Housing
Regulator

Landlord name:	Hebridean Housing Partnership Ltd
RSL Reg. No.:	359
Report generated date:	12/06/2023 11:01:52

Approval	
Date approved:	
Approver:	
Approver job title	

Submission	
Nil return	No
Date of Return	31/03/2023
Accounting year-end	March
Number of housing units owned by RSL	2,334
Number of housing units used for Security	2,212
Unencumbered housing units	122
What Percentage of unencumbered housing units in Question (7) has a Positive value?	100.00%
Does a Lender have a floating charge over the company assets?	No
Submission Comments	
N/A	

Covenants for Loans

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
1	Interest Cover	Annual Cashflow Deficit Covenant In respect of each Financial Year specified in Part A where the ratio in column 2(total interest paid divided by net operating cashflow except in years where there is a deficit) is less than zero, the Annual Cashflow Deficit for that Financial Year shall not be a greater negative figure than that set out in Part A of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Net Operating Cashflow Covenant In respect of each Financial Year specified in Part B where the ratio in column 2 is equal to or greater than zero, the ratio of Net Operating Cashflow to Total Interest for that period shall not be less than the ratio setout in Part B of Schedule 5, as amended each year by the Lender in line with the agreed Business Plan. Part A 31March2019 3,450,000 31March2020 5,434,000 31March2021 8,053,000 31March2022 2,551,000 31March2033 402,000 Part B 31March2023 1.27 31March2024 1.51 31March2025 1.81 31March2026 4.49 31March2027 4.28 31March2028 2.92 31March2029 3.41 31March2030 2.52 31March2031 3.89 31March2032 3.98	Cashflow deficit of £8.053m for 2020/21	Annually	31/03/2021	Cashflow Surplus of £0.22M

Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
		31March2034 3.90 31March2035 5.93 31March2036 18.99 31March2037 0.00 31March2038 0.00 31March2039 0.00 31March2040 0.00 31March2041 0.00 31March2042 0.00				
3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	31/03/2023	Gearing = 12% / Interest Cover = 286%

Facilities

Facility Reference Number	Name of Lender	Charge holder	Security Trustee in place?	Start Date	End Date	Total Facility (£'000s)	Reason for Total Facility Change	Balance of Facility Outstanding (£'000s)	Facility Undrawn (£'000s)	Next five years?	Undrawn Facility for?	Details
HHPRBS2164	Royal Bank of Scotland plc		No	02/07/2021	31/03/2041	5,000.0		5,000.0	0.0			
HHPRBS2165	Royal Bank of Scotland plc		No	02/07/2021	31/03/2046	12,000.0		12,000.0	0.0			
HHPRBS2166	Royal Bank of Scotland plc		No	02/07/2021	31/03/2031	8,000.0		0.0	8,000.0	Yes	Working Capital	
Totals						25,000.0		17,000.0	8,000.0			

Facilities

Facility Reference Number	Name of Lender	Funds Committed?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	All lenders within this syndicate	Linked to ESG Credentials?	Facility Comments
HHPRBS2164	Royal Bank of Scotland plc		Yes	No	No				RBS Refinancing 2021 (£10M increased facility from £15M to £25M)
HHPRBS2165	Royal Bank of Scotland plc		Yes	Yes	No				
HHPRBS2166	Royal Bank of Scotland plc	No	Yes	Yes	No				

Loans

Facility Reference Number	Loan Reference Number	Loan Type	Purpose of Loan	Loan Purpose Details	Total Loan Amt (£'000s)	Balance O/S (£'000s)	Repmnt Terms	Ref Int Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	First Cap Repmnt Date	Final Cap Repmnt Date	First Int Pmnt Date	Interest is being
HHPRBS2164	RBSFIXED1045	Fixed Rate Loan	Refinancing		3,500.0	3,500.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		6.6250%	30/06/2036	31/03/2041	18/10/2021	Paid
HHPRBS2164	RBSVAR1046	Variable Rate Loan	Refinancing		1,500.0	1,500.0	Interest only followed by structured capital repayments	SONIA	1.4000%		30/06/2036	31/03/2041	31/12/2021	Paid
HHPRBS2164 Total					5,000.0	5,000.0								
HHPRBS2165														
HHPRBS2165	RBSFIXED1047	Fixed Rate Loan	Refinancing		5,000.0	5,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	31/03/2022	Paid
HHPRBS2165	RBSFIXED1049	Fixed Rate Loan	Affordable Housing Development		3,000.0	3,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	30/09/2022	Paid
HHPRBS2165	RBSFIXED1050	Fixed Rate Loan	Affordable Housing Development		4,000.0	4,000.0	Interest only followed by structured capital repayments	Fixed Rate Percentage		2.8230%	30/06/2031	31/03/2046	31/12/2022	Paid
HHPRBS2165 Total					12,000.0	12,000.0								
Totals					17,000.0	17,000.0								

Loans

Facility Reference Number	Loan Reference Number	Start Date	Fin cap Rep Date Ind	Current deal expiry date	Forward fixes neg with Lender?	Fees - Arrangement	Fees - Non-utilisation	Fees - Other	Fees - Details	Percentage of Security provided by Social Housing assets (%)	Value of Security provided by Social Housing units (£'000s)	Basis of valuation	Date of valuation	Loan Comments
HHPRBS2164	RBSFIXED1045	02/07/2021	Yes			Yes	No	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	
HHPRBS2164	RBSVAR1046	02/07/2021	Yes			Yes	No	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	
HHPRBS2165						No	No	No						
HHPRBS2165	RBSFIXED1047	31/12/2021	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	
HHPRBS2165	RBSFIXED1049	30/06/2022	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	
HHPRBS2165	RBSFIXED1050	30/09/2022	Yes			Yes	Yes	No		100.00%	47,715.0	EUV-SH without sales	31/03/2021	

Loans Covenants

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
HHPRBS2164	RBSFIXED1045	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 12% / Interest Cover = 286%
HHPRBS2164	RBSVAR1046	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:-	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 12% / Interest Cover = 286%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				- adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			
HHPRBS2165	RBSFIXED1047	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years)	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 12% / Interest Cover = 286%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				- deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			
HHPRBS2165	RBSFIXED1049	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%). "Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 12% / Interest Cover = 286%
HHPRBS2165	RBSFIXED1050	3	Interest Cover	Interest Cover Covenant - The Borrower shall procure that Adjusted Operating Surplus in respect of each Financial Year expressed as a percentage of Net Interest Payable in respect of such Financial Year shall not be less than one hundred and ten per cent (110%).	Minimum Interest Cover 110% & Maximum Gearing = 30%	Annually	Gearing = 12% / Interest Cover = 286%

Facility Reference Number	Loan Reference Number	Covenant Sequence Number	Type of Covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Actual levels achieved at that date
				"Adjusted Operating Surplus" to be calculated in accordance with the applicable SORP and adjusted as follows:- - adding back amounts charged for depreciation in respect of housing properties; - adding the profit/loss in respect of sales of housing properties sold in the ordinary course of its activities; - deduct 100% of capitalised component replacement costs and capitalised major repair costs; -in respect of the financial years ending 31 March 2022 and 31 March 2023 only, adding back any capitalised component and major repair costs and revenue costs incurred in connection with completion of the Deferred Works up to a maximum of £2,044,068 (in aggregate across the two said financial years) - deducting pension deficit contributions payable, Gearing Covenant - The Borrower shall procure that at all times Total Financial Indebtedness expressed as a percentage of Historic Cost of Properties will not exceed thirty per cent (30%).			

Embedded Interest Rate Derivatives

Facility Reference Number	Loan Reference Number	Sequence Number	Derivative Type	Amount (£'000s)	Date From	Date To	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)
---------------------------	-----------------------	-----------------	-----------------	-----------------	-----------	---------	------------------------------	-------------------------

IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Relationship to RSL	Amount Provided (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date	Is Funding Provided Part of Funds Borrowed?	Loan Reference Number	Lender aware of on Lending Arrangement?
1	HHP Community Housing Ltd	Subsidiary	18.1	18.1	Working Capital		48	01/03/2018	31/03/2023	31/03/2023	No		
Totals			18.1	18.1									

IGF Lend

Sequence Number	Name of the organisation that the funding is provided to	Security taken?	Type of Security	Type of Security details	Value of Security (£'000s)	Loan Agreement in Place?	Loan Type	Repayment Period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	IGF Lend Comments
1	HHP Community Housing Ltd	No				Yes	Bridging Finance	48	Payment start date deferred-bullet repayment of interest and capital at maturity	Base	1.0000%		

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Relationship to RSL	Amount Received (£'000s)	Balance O/S (£'000s)	Purpose of loan	Details	Duration of funding arrangement (months)	Start Date	End Date	First repayment date
--------------------	---	------------------------	-----------------------------	-------------------------	--------------------	---------	---	---------------	-------------	-------------------------

IGF Borrow

Sequence Number	Name of organisation that the funding is provided from	Security taken?	Type of security	Details	Value of security (£'000s)	Loan Agreement in place?	Loan Type	Repayment period (months)	Repayment terms	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	IGF Borrow Comments
-----------------	--	-----------------	------------------	---------	----------------------------	--------------------------	-----------	---------------------------	-----------------	-------------------------	------------------------------	-------------------------	---------------------

ISDAs

Sequence Number	Name of Lender	Amount (£'000s)	Start Date	End Date	Reference Interest Rate	Margin Over Ref Int Rate (%)	'All in' Fixed Rate (%)	Mark to Market Threshold before collateral calls (£'000s)	Mark to Market Value (£'000s)	Date of Mark to Market Valuation	Implied loss or gain on Mark to Market Valuation (£'000s)	Type of collateral calls	Under which method are they marked?	Frequency of Call	ISDA Comments
-----------------	----------------	-----------------	------------	----------	-------------------------	------------------------------	-------------------------	---	-------------------------------	----------------------------------	---	--------------------------	-------------------------------------	-------------------	---------------

ISDA Covenants

ISDA Sequence Number	Sequence Number	Type of covenant applied	How is this Covenant calculated?	Required levels	Frequency of reporting to lender	Date of last report to lender	Actual levels achieved at that date
----------------------	-----------------	--------------------------	----------------------------------	-----------------	----------------------------------	-------------------------------	-------------------------------------

MANAGEMENT REPORT TO 31 MAY 2023

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To present the Management Report for the month ended 31 May 2023 for review and a virement for approval.

Summary

- 2.1 The Management Report shows that financial covenants will be met for the year ended 31 March 2024 with a headroom forecast of £185K.
- 2.2 Scottish Government have awarded a grant of £275,000 for Aids & Adaptations. A virement of £155,000 is required to reflect the increase in the grant award.

Competence

- 3.1 The legal, financial, or other constraints to any recommendation in this report are contained in paragraph 5.1 - 8.1.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the Management Report at 31 May 2023 and revised forecast out turn at 31 March 2024 as at Appendix 1; and**
 - b) **approve a virement of £155,000 for Occupational Therapy cost, which will be funded by additional Aids & Adaptations Grant Funding.**

APPENDIX 1: Management Report to 31 May 2023

Background Papers: None

Writer of Report: James Morrison

Tel: 0300 123 0773

Competence

Financial

- 5.1 The Board approved budgets for 2023/24 in March 2023, which projected a surplus for the year of £1.26M. The current forecasted out-turn surplus is £1.47M.

Legal

- 6.1 The following Partnership rules are applicable:
- a) *Rule 69 - The Partnership must keep proper books of accounts to cover its income, expenditure transactions and its assets, liabilities and reserves in line with Part 7 of the Co-operative and Community Benefit Societies Act 2014. It must also set up and maintain a suitable system for controlling its books of accounts, its cash and its receipts and invoices.*

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
- 7.2 This report provides ongoing assurance of evidence point 3, 4, 5 and 6 in relation to our Annual Assurance Statement.

Risk

- 8.1 The key risk is that we do not meet our Financial Covenants. We have two financial covenants, interest cover and gearing. These covenants are tracked monthly to ensure compliance.

Management Report 2023/24

To 31 May 2023



hebridean housing
partnership

TABLE OF CONTENTS

INTRODUCTION	2
SECTION 1: HIGH LEVEL SUMMARY	3
SECTION2: MANAGEMENT ACCOUNTS.....	4
STATEMENT OF COMPREHENSIVE INCOME	5
STATEMENT OF FINANCIAL POSITION	6
RENTAL INCOME	7
SUPERVISION & MANAGEMENT	8
REPAIRS & MAINTENANCE	9
ESTATE WORK.....	10
AID & ADAPTATIONS	11
INVESTMENT EXPENDITURE.....	12
NON-HOUSING INVESTMENT	13
DEVELOPMENT EXPENDITURE.....	14
SECTION 3: KEY FINANCIAL PERFORMANCE MEASURE.....	15
FINANCIAL COVENANTS.....	16
FINANCIAL RATIOS.....	17
CASH FLOW FORECAST 2022/23	18

INTRODUCTION

The Management Report to 31 May 2023 is attached and if Board Members or Managers have any areas of concern or would like additional information, they should contact the Finance Manager or the Director of Finance & Corporate Services.

The Management Report is made up of three sections:

Section 1: High Level Summary

Written by the Director of Finance & Corporate Services, which includes a score card of year to date performance.

Section 2: Management Accounts

Prepared by the Finance Manager. Provides an Income & Expenditure Account, Balance Sheet and detailed operational budgets for the period. The Management Accounts include a more detailed commentary from Budget Managers on performance.

Section 3: Key Financial Performance Measures

Prepared by the Finance Manager including a review of Financial Covenants to provide the Board with assurance that the Covenant for 2023/24 will not be breached.

SECTION 1: HIGH LEVEL SUMMARY

	INDICATOR	STATUS	COMMENT
I N C O M E	FINANCIAL COVENANTS		Covenants are forecasted to be met for the full year.
	FORECASTED SURPLUS		
	RENTAL INCOME		
	GRANT INCOME		
	DEVELOPMENT GRANTS		
	OTHER INCOME		
E X P E N D I T U R E	DEVELOPMENT COSTS		
	INVESTMENT		Tender works are underway and contractors are being appointed.
	REPAIRS & MAINTENANCE		Anticipated high void repair costs require close monitoring.
	MANAGEMENT COSTS		
	INTEREST		

	No Issues - On Track
	Requires Monitoring
	Issues

SECTION2: MANAGEMENT ACCOUNTS

	Page
Statement of Comprehensive Income	5
Statement of Financial Position at 31 January 2023	6
Rental Income	8
Supervision & Management Costs	9
Repairs & Maintenance	11
Estate Works	12
Aids & Adaptations	13
Investment	14
Non-Housing Investment	15
Development	16

STATEMENT OF COMPREHENSIVE INCOME

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-Mar-24 £
1	Dwelling rents (net)	11,023,855	11,023,855	1,881,833	1,878,549	(3,284)	0%	9,145,306	83%	6,192	11,030,047
2	Non Dwelling rents (net)	17,120	17,120	7,617	8,542	925	12%	8,578	50%	-	17,120
3	Profit/(Loss) on Disposal of Assets	(45,000)	(45,000)	-	-	-	-	(45,000)	100%	-	(45,000)
4	Grant Funding	550,000	550,000	71,666	73,750	2,084	3%	476,250	87%	155,000	705,000
5	Other Income	186,130	165,130	10,020	9,388	(632)	-6%	155,742	94%	-	165,130
6	TOTAL INCOME	11,732,105	11,711,105	1,971,137	1,970,230	(907)	0%	9,740,875	83%	161,192	11,872,297
7	Supervision & Management	2,941,015	2,938,977	623,531	604,813	18,718	3%	2,334,164	79%	2,500	2,941,477
8	Response Repairs	1,952,905	1,952,905	315,226	283,271	31,956	10%	1,669,634	85%	-	1,952,905
9	Estate Works	136,700	136,700	3,660	3,600	60	2%	133,100	97%	-	136,700
10	Planned/Cyclical Maintenance	1,194,925	1,173,925	92,892	45,708	47,184	51%	1,128,217	96%	-	1,173,925
11	Total Operating Expenditure	6,225,545	6,202,507	1,035,309	937,392	97,918	9%	5,265,115	85%	2,500	6,205,007
12	Operating Surplus/(Deficit)	5,506,560	5,508,598	935,828	1,032,838	(97,011)	-10%	4,475,760	81%	158,692	5,667,290
13	Interest received	18,500	18,500	2,500	2,732	232	9%	15,768	85%	-	18,500
14	Interest paid	1,189,400	1,189,400	109,343	109,343	-	0%	1,080,057	91%	-	1,189,400
15	Surplus/(Deficit)	4,335,660	4,337,698	828,985	926,227	(97,243)	-12%	3,411,471	79%	158,692	4,496,390
16	Depreciation	4,617,600	4,617,600	769,600	702,083	67,517	9%	3,915,517	85%	-	4,617,600
17	Grant Amortisation	(1,538,600)	(1,588,600)	(306,430)	(280,835)	25,595	-8%	(1,307,765)	82%	-	(1,588,600)
18	Surplus/(Deficit)	1,256,660	1,308,698	365,815	504,979	(139,165)	-38%	803,719	61%	158,692	1,467,390
19	CAPITAL INVESTMENT										
19	Housing Investment Programme	4,039,595	4,039,595	86,456	80,724	5,732	7%	3,958,871	98%	155,000	4,194,595
20	Non Housing Investment	6,920	8,958	2,000	2,038	(38)	-2%	6,920	77%	-	8,958
21	Development Programme	1,647,190	1,784,035	34,896	94,443	(59,548)	-171%	1,689,592	95%	27,651	1,811,686
22		5,693,705	5,832,588	123,352	177,205	(53,854)	-44%	5,655,383	97%	182,651	6,015,239

Commentary on Performance**Income**

Dwelling Rents (net) is forecast to be £6K higher as a result of void loss savings of £13k which is offset with a £7K reduction in rental income for Cleit Road, Barra due to delays in handover.

Grant Funding out turn has been updated to reflect the OT Grant award from Scottish Government of £275K.

Expenditure

Both depreciation and amortisation are underspent due to the delay in completing the Housing with Extra Care facility.

The following pages provide a detailed breakdown of our income and expenditure, highlighting any significant deviation from budget.

STATEMENT OF FINANCIAL POSITION

Line	Heading	Notes	31-May-23 £	31-Mar-23 £
	Fixed Assets			
1	Tangible assets-social housing	1	126,420,804	127,121,408
2	Development & Investment Programme	2	177,205	-
3	Tangible assets - property, plant and equipment		1,089,637	1,090,682
4	Landbank		868,179	979,637
5	Investments		2	2
6	Total Fixed Assets		128,555,827	129,191,728
	Current Assets			
7	Stock		24,693	24,693
8	Trade and other debtors due within one year		706,884	1,669,510
9	Debtors due after more than one year		197,537	202,372
10	Short-term deposits		4,357,177	4,353,272
11	Cash at bank and in hand	3	4,435,056	3,668,308
12	Loan to subsidiary		18,350	18,350
13	Total Current Assets		9,739,699	9,936,505
14	Creditors: amounts falling due within one year		(1,595,809)	(2,652,809)
15	Net current assets		8,143,890	7,283,696
16	Total assets less current liabilities		136,699,717	136,475,425
17	Creditors: amounts falling due after more than one year		(22,583,000)	(22,583,000)
18	Deferred capital grants		(70,937,192)	(71,217,880)
19	Pension Liability		-	-
20	Net Assets		43,179,525	42,674,545
	Capital and Reserves			
21	Share Capital		224	224
22	Revenue Reserve		43,179,301	42,674,321
23	Total Capital and Reserves		43,179,525	42,674,545

Commentary on Performance

Note 1 - Fixed Assets

Reduction year to date can be attributed to depreciation on our housing assets being more than the amount of works capitalised.

Note 2 – Development & Investment Programme

£177K of Development & Investment works due to our new build programme in progress (£94K) and investment programme in progress (£83K).

Note 3 – Cash at bank and in hand

Increase of £767K mainly due to the receipt of Affordable Housing Programme Grant monies in April for development works completed in March.

Covenants are forecast to be met for the full year with Interest cover forecast at 126% and gearing of 11%.

RENTAL INCOME

Line		CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Dwelling Rent Gross	11,486,205	11,486,205	1,920,533	1,903,925	(16,608)	-1%	9,582,280	83.42%	(7,133)	11,479,072
2	Non Dwelling Rent Gross	17,465	17,465	7,667	8,542	875	11%	8,923	51.09%		17,465
3	Voids - Dwelling	(232,155)	(232,155)	(38,700)	(25,375)	13,325	-34%	(206,780)	89.07%	13,325	(218,830)
4	Voids - Other	(345)	(345)	(50)	-	50	-100%	(345)	100.00%		(345)
5	Bad Debts	(230,195)	(230,195)	-	-	-		(230,195)	100.00%		(230,195)
6	TOTAL	11,040,975	11,040,975	1,889,451	1,887,091	(2,359)	0%	9,153,884	83%	6,192	11,047,167

Commentary on Performance

Dwelling Rent Gross out turn has reduced by £7K due to the delay in the completion of the Cleit Road development. The handover is expected to be completed by the end of June and the adjustment reflects the lost income due to the delay.

Voids – Dwelling forecast outturn has been decreased to reflect YTD savings of £13K. Voids are currently 1.3% (0.7% ahead of the 2% budget) but approximately 0.7% higher than prior year as property relet times have been impacted by post go live issues on our new Housing System.

SUPERVISION & MANAGEMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		forecast out-turn	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Salaries & Wages	1,841,490	1,859,237	306,145	296,666	9,479	3%	1,562,571	84%		1,859,237
2	National Insurance	185,745	186,901	30,750	29,766	984	3%	157,134	84%		186,901
3	Pension Costs	397,910	401,105	54,930	53,739	1,191	2%	347,366	87%		401,105
4	Other Employee Costs	39,875	39,875	5,830	3,238	2,592	44%	36,637	92%		39,875
5	Travel & Subsistence	16,650	16,650	2,770	1,069	1,701	61%	15,581	94%		16,650
6	EMPLOYEE COSTS	2,481,670	2,503,768	400,425	384,478	15,947	4%	2,119,290	85%	-	2,503,768
7	Premises Costs	70,100	70,100	9,556	8,501	1,055	11%	61,599	88%		70,100
8	IT & Telecoms	214,600	214,600	41,733	40,822	911	2%	173,778	81%		214,600
9	Area Offices	28,250	26,212	4,710	4,700	10	0%	21,512	82%		26,212
10	Payroll & Cashdesk	7,500	7,500	1,250	1,225	25	2%	6,275	84%		7,500
11	Property Management Fees	5,000	5,000	3,008	3,008	-	0%	1,993	40%		5,000
12	SUPPLIES & SERVICES	325,450	323,412	60,256	58,256	2,001	3%	265,157	82%	-	323,412
13	Postage, Printing & Stationery	37,850	37,850	3,490	2,212	1,278	37%	35,638	94%		37,850
14	Admin Furniture & Equipment	2,000	2,000	8	8	-	0%	1,992	100%		2,000
15	Training Courses	33,125	33,125	1,584	1,584	-	0%	31,541	95%		33,125
16	Community Support	53,750	31,652	5,928	5,989	(62)	-1%	25,663	81%		31,652
17	Health & Safety	9,380	9,380	1,326	1,258	68	5%	8,122	87%		9,380
18	Recruitment Costs	2,000	2,000	344	344	-	0%	1,656	83%		2,000
19	ADMINISTRATION COSTS	138,105	116,007	12,680	11,395	1,284	10%	104,612	90%	-	116,007
20	Professional Fees	151,550	151,550	7,000	4,052	2,948	42%	147,498	97%		151,550
21	Insurance	282,420	282,420	120,072	121,059	(987)	-1%	161,361	57%	2,500	284,920
22	Affiliation Fees	32,795	32,795	24,778	23,796	982	4%	8,999	27%		32,795
23	Charitable Donations	5,000	5,000	-	-	-	-	5,000	100%		5,000
24	Governance	12,400	12,400	1,820	716	1,104	61%	11,684	94%		12,400
25	Bank Charges	6,690	6,690	1,120	938	182	16%	5,752	86%		6,690
26	Public Relations / Marketing	9,430	9,430	-	123	(123)		9,307	99%		9,430
27	CORPORATE EXPENSES	500,285	500,285	154,790	150,685	4,106	3%	349,601	70%	2,500	502,785
28	Fees Charged to Capital	(497,495)	(497,495)	(4,120)	-	(4,120)	100%	(497,495)	100%		(497,495)
29	VAT Received - Partial Exemption	(7,000)	(7,000)	(500)	-	(500)	100%	(7,000)	100%		(7,000)
30	MANAGEMENT INCOME	(504,495)	(504,495)	(4,620)	-	(4,620)	100%	(504,495)	100%	-	(504,495)
31	MANAGEMENT COST	2,941,015	2,938,977	623,531	604,813	18,718	3%	2,334,165	24	2,500	2,941,477

Commentary on Performance

Employee Costs

An underspend of £16K can be attributed to vacant posts.

Corporate Expenses

Professional Fees underspend of £2.9K is mainly due to the delay in the payments of home-loss compensation to tenants moving into the HWEC facility at Goathill.

There are current YTD savings on Governance with Board Training and travel being less than expected at this stage in the year.

An uplift of £2.5K has been recognised in insurance costs due to a requirement from our insurers to have a reinstatement valuation survey on certain schemes. This has been undertaken and additional premiums are expected as a result.

Management Income

Fees charged to capital is behind budget by £4K due to the timing of investment and development works. Budget phasing will be reviewed to incorporate revised programmes.

REPAIRS & MAINTENANCE

Line	Heading	CURRENT YEAR Initial Budget £	Revised Budget £	BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
						Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Responsive Repairs	1,225,520	1,225,520	182,840	164,158	18,682	10%	1,061,362	87%		1,225,520
2	Void Repairs	403,000	403,000	67,170	85,841	(18,671)	-28%	317,159	79%		403,000
3	Handyperson	106,580	106,580	16,230	15,708	522	3%	90,872	85%		106,580
4	GENERAL REPAIRS	1,735,100	1,735,100	266,240	265,707	533	0%	1,469,393	85%	-	1,735,100
5	Decoration Allowance	55,640	55,640	9,270	2,150	7,120	77%	53,490	96%		55,640
6	Council Tax empty properties	10,000	10,000	-	-	-		10,000	100%		10,000
7	Compensation	9,500	9,500	1,580	1,323	257	16%	8,177	86%		9,500
8	SPECIFIC ITEMS	75,140	75,140	10,850	3,473	7,377	68%	71,667	95%	-	75,140
9	Rechargeable Repairs	108,000	108,000	18,000	15,588	2,412	13%	92,412	86%		108,000
10	Rechargeable Repairs Recoverable	(58,500)	(58,500)	(9,750)	(11,022)	1,272	-13%	(47,478)	81%		(58,500)
11	Insurance Repairs	100,000	100,000	16,670	2,512	14,158	85%	97,488	97%		100,000
12	Insurance Claims Recoverable	(62,000)	(62,000)	-	-	-		(62,000)	100%		(62,000)
13	RECOVERABLE EXPENDITURE	87,500	87,500	24,920	7,077	17,842	72%	80,422	92%	-	87,500
14	Commercial Properties	1,500	1,500	-	-	-		1,500	100%		1,500
15	Communal Lighting	53,665	53,665	13,216	7,014	6,202	47%	46,651	87%		53,665
16	NON DWELLING REPAIRS	55,165	55,165	13,216	7,014	6,202	47%	48,151	87%	-	55,165
17	Gas Servicing	75,490	75,490	12,580	12,580	-	0%	62,910	83%		75,490
18	ASHP Servicing	231,180	231,180	38,540	22,220	16,320	42%	208,960	90%		231,180
19	TOTAL HEATING SERVICES	306,670	306,670	51,120	34,801	16,320	42%	271,870	174%		306,670
20	Estate Management	51,355	51,355	8,560	9,298	(738)	-9%	42,057	82%		51,355
21	Estate Management (Welfare)	23,465	23,465	3,910	13	3,897	100%	23,452	100%		23,465
22	Other Servicing	65,425	65,425	5,960	85	5,875	99%	65,340	100%		65,425
23	EPC Renewals	43,425	43,425	7,237	-	7,237	100%	43,425	100%		43,425
24	EICR Testing	137,315	137,315	-	1,258	(1,258)		136,057	99%		137,315
25	General Planned Maintenance	341,245	341,245	-	-	-		341,245	100%		341,245
26	Stair Lifts and Door Entry Systems	12,135	12,135	2,020	-	2,020	100%	12,135	100%		12,135
27	Gutter Cleaning	64,605	64,605	10,770	-	10,770	100%	64,605	100%		64,605
28	Sewage Systems	18,085	18,085	3,014	-	3,014	100%	18,085	100%		18,085
29	Sewage Pumps	1,200	1,200	300	253	47	16%	947	79%		1,200
30	HVEC Communal Charges	130,000	130,000	-	-	-		130,000	100%		130,000
31	CYCLICAL MAINTENANCE	888,255	888,255	41,772	10,907	30,864	74%	877,348	99%	-	888,255
32	TOTAL REPAIRS & MAINTENANCE	3,147,830	3,147,830	408,118	328,978	79,138	19%	2,818,851	90%	-	2,841,160

Commentary on Performance

Void repairs include several high cost property clear outs which is being covered by savings on Responsive Repair costs.

Following submission of actual meter readings, we received a credit note from our communal lighting utility provider resulting in a £6K underspend YTD. Current high costs of energy are reflected in this year's budget.

Cyclical Maintenance underspend of £31K is due to changes in the phasing of planned works. Phasing will be updated as programmes are finalised.

ESTATE WORK

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Unadopted Infrastructure	66,690	66,690	420	402	18	4%	66,288	99%		66,690
2	Grounds Maintenance	70,010	70,010	3,240	3,199	41	1%	66,811	95%		70,010
3	TOTAL ESTATE WORKS	136,700	136,700	3,660	3,600	59	2%	133,099	97%	-	136,700

AID & ADAPTATIONS

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	OT Works	120,000	120,000	-	-	-		120,000	100%	155,000	275,000
2	Grants										
3	Grants Received	(120,000)	(120,000)	-	-	-		(120,000)	100%	(155,000)	(275,000)
4	TOTAL AIDS & ADAPTATIONS	-	-	-	-	-		-		-	-

Commentary on Performance

OT Works

Scottish Government have awarded a grant of £275,000 for Aids & Adaptations. A virement of £155,000 is required to reflect the increase in the grant award. This is £55K less than the award for last year and due to the high value of referrals to date, we may have a funding shortfall if referrals continue at current levels.

INVESTMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23	ACTUAL to 31-May-23	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-Mar-24 £
1	Insulation	200,655	200,655	48,056	48,056	-	0%	152,599	76%		200,655
2	Total Insulation	200,655	200,655	48,056	48,056	-	0%	152,599	76%	-	200,655
3	Kitchen	363,600	363,600	-	-	-	-	363,600	100%		363,600
4	Bathrooms	171,400	171,400	-	-	-	-	171,400	100%		171,400
5	OT Aids & Adaptations	120,000	120,000	-	-	-	-	120,000	100%	155,000	275,000
6	Showers	316,070	316,070	-	-	-	-	316,070	100%		316,070
7	Heating	1,107,070	1,107,070	38,400	32,667	5,733	15%	1,074,403	97%		1,107,070
8	Rewiring	69,120	69,120	-	-	-	-	69,120	100%		69,120
9	Total Internals	2,147,260	2,147,260	38,400	32,667	5,733	15%	2,114,593	98%	155,000	2,302,260
10	Windows	1,439,680	1,439,680	-	-	-	-	1,439,680	100%		1,439,680
11	Roughcast house & wall	252,000	252,000	-	-	-	-	252,000	100%		252,000
12	Other	-	-	-	-	-	-	-	-		-
13	Externals	1,691,680	1,691,680	-	-	-	-	1,691,680	100%	-	1,691,680
14	Total Investment excl. Unallocated Exp/Savings	4,039,595	4,039,595	86,456	80,724	5,733	7%	3,958,872	98%	155,000	4,194,595
15	Savings Realised	-	-	-	-	-	-	-	-		-
16	Savings Re-invested	-	-	-	-	-	-	-	-		-
17	Unallocated Expenditure/ Slippage	-	-	-	-	-	-	-	-		-
18	Total Investment	4,039,595	4,039,595	86,456	80,724	5,733	7%	3,958,872	98%	155,000	4,194,595

Commentary on Performance

Contractors have been appointed for OT, Heating and Windows & Doors. Surveys for those planned works are now underway and updated budget phasing and forecast will be provided once surveys have been completed.

External wall insulation has been completed on a further three properties however, there are delays in acquiring building warrants to complete the remaining properties due to additional engineering inspections being required. As a result, the remaining works are delayed until August.

NON-HOUSING INVESTMENT

Line	Heading	CURRENT YEAR BUDGET		BUDGET to 31-May-23 £	ACTUAL to 31-May-23 £	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £			Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over/ (under) £	at 31-Mar-24 £
1	Office equipment	1,920	1,920	-	40	(40)		1,880	98%		1,920
2	IT equipment & Systems	5,000	7,038	2,000	1,998	2	0%	5,040	72%		7,038
3	Total	6,920	8,958	2,000	2,038	(38)	-2%	6,920	77%	-	8,958

DEVELOPMENT EXPENDITURE

Line	Heading	CURRENT YEAR BUDGET		BUDGET	ACTUAL	BUDGET VARIANCE		BUDGET REMAINING		FORECAST OUT-TURN	
		Initial Budget £	Revised Budget £	Budget to 31-May-23 £	to 31-May-23 £	Budget to date £	Budget to date %	Revised Budget £	Revised Budget %	Over / (under) £	at 31-May-23 £
1	New Build	8,070,835	8,207,680	640,701	662,580	(21,879)	-3%	7,545,100	92%	27,651	8,235,331
2	LIFT	-	-	-	70	(70)		(70)		-	-
3	Total Development Costs	8,070,835	8,207,680	640,701	662,650	(21,949)	-3%	7,545,030	92%	27,651	8,235,331
4	Scottish Government Grant										
5	Grant - New Build	(6,433,745)	(6,433,745)	(605,805)	(630,024)	24,219	-4%	(5,803,721)	90%	-	(6,433,745)
6	Other Grants & Sales proceeds										
7	Other Grants - LIFT Sales	-	-	-	-	-		-		-	-
8	Total Grants	(6,433,745)	(6,433,745)	(605,805)	(630,024)	24,219	-4%	(5,803,721)	90%	-	(6,433,745)
9	Private Finance required										
10	New Build	1,637,090	1,773,935	34,896	32,556	2,340	7%	1,741,379	98%	27,651	1,801,586
11	LIFT	-	-	-	70	(70)		(70)		-	-
12	Expensed Development Cost	-	-	-	-	-	0%	-	0%	-	-
13	Feasibility	10,100	10,100	-	-	-		10,100	100%	-	10,100
14	Private Finance required	1,647,190	1,784,035	34,896	32,625	2,270	7%	1,751,410	98%	27,651	1,811,686

Commentary on Performance

The Crowlista Care Unit was completed and handed over in April 2023. However, due to the late slippage there was no budget allocated in 2023/24 for the project. The forecast out turn has been adjusted to reflect the slippage from last year. The Crowlista development is forecast to complete on budget.

The 6 Units at Cleit Road, Barra are due for completion in June 2023.

Leverburgh planning application has been submitted and due to the number of objections received we now await the planning board decision.

Low Flyer Phase 2 tender return will be considered by the Development & Finance Committee in June before it is brought to the Board.

We are awaiting finalised feasibility studies and updated land valuations at Bernera and Gravir.

SECTION 3: KEY FINANCIAL PERFORMANCE MEASURE

	Page
Financial Covenants	18
Key Ratios	19
Cash flow Forecast	20

FINANCIAL COVENANTS

HHP has a credit facility with RBS and as a result an interest cover covenant and a gearing covenant is required. The minimum cover required is 110% with a maximum gearing of 30%.

The covenant is forecast to be met for the full year.

Line	Detail	YTD	Forecast
1	Operating Surplus	£ 611,590	£ 2,638,290
2	Add back Depreciation	£ 702,083	£ 4,617,600
3	Add back Profit/(Loss) on sale of LIFT properties	£ -	£ -
4	Deduct Capitalised Investment (inc OT)	(£ 80,724)	(£ 4,194,595)
5	Deduct Pension Contributions	£ -	£ -
6	Deduct Amortisation	(£ 280,835)	(£ 1,588,600)
7	Adjusted Operating Surplus	£ 952,114	£ 1,472,695
8	Interest Payable	£ 109,343	£ 1,189,400
9	Interest Receivable	£ 2,732	£ 18,500
10	Net Interest Payable	£ 106,610	£ 1,170,900
11	Covenant for 22/23	110%	110%
12	Adjusted Operating Surplus as percentage of Net interest Payable	893%	126%
13	Headroom	£ 834,843	£ 184,705
14	Historic Cost of Properties	£ 141,576,291	£ 157,593,322
15	Financial Indebtedness	£ 17,000,000	£ 17,000,000
16	Gearing Covenant for 21/22	30%	30%
17	Gearing	12%	11%

FINANCIAL RATIOS

Key Ratios			
	Current	Forecast	2022/23
Current Ratio	5.98	4.71	2.67
(Current Assets/Current Liabilities)			
Net Debt Per Unit			
Borrowing/ stock units	£7,283.63	£7,110.00	£7,283.63
Voids%	1.33%	1.91%	0.62%
Voids as % of Rental Income Due			
Bad Debts %	0.00%	2.00%	0.38%
Bad Debts written off as % of Rental Income Due			
Staff Cost/Turnover %	19.51%	20.90%	19.91%

CASH FLOW FORECAST 2023/24

The below cash flow shows the actual income received and the payments made for the period to May 2023.

Monthly Cash Flow Forecast

Year Ended 31-Mar-24	31-May-23 Month 2	30-Jun-23 Month 3	31-Jul-23 Month 4	31-Aug-23 Month 5	30-Sep-23 Month 6	31-Oct-23 Month 7	30-Nov-23 Month 8	31-Dec-23 Month 9	31-Jan-24 Month 10	28-Feb-24 Month 11	31-Mar-24 Month 12	Total
Cash on Hand at beginning of month	4,613,943	5,015,681	5,205,436	4,920,581	4,883,768	3,892,293	3,734,070	3,211,196	2,771,121	2,208,508	1,822,196	4,359,484
Cash Receipts												
Rent	871,258	877,254	716,827	1,152,333	877,254	991,906	877,254	991,906	877,254	877,254	716,827	11,028,719
Grant Income	635,512	789,700	768,200	761,945	840,700	998,200	598,200	776,700	262,600	240,000	307,500	7,693,504
Bank Interest	-	6,000	-	-	6,000	-	-	6,000	-	-	-	18,586
Insurance Claims	-	-	-	-	-	-	-	-	-	-	-	1,180
Other income	55,057	-	-	-	-	-	-	-	-	-	-	77,913
Transfer from Deposit	-	-	-	-	-	-	-	-	-	-	3,500,000	3,500,000
Total	1,561,827	1,672,954	1,485,027	1,914,278	1,723,954	1,990,106	1,475,454	1,774,606	1,139,854	1,117,254	4,524,327	22,319,902
Total Cash Available	6,175,770	6,688,635	6,690,463	6,834,860	6,607,722	5,882,399	5,209,525	4,985,801	3,910,975	3,325,762	6,346,523	
Cash Paid Out												
Payroll	199,472	200,000	200,000	200,000	200,000	204,000	204,000	204,000	204,000	204,000	204,000	2,413,056
Management Costs	28,954	88,236	60,736	60,736	360,736	60,736	60,736	60,736	60,736	60,736	60,736	1,028,804
Repairs	453,490	339,000	205,000	205,000	205,000	205,000	205,000	377,000	377,000	377,000	377,000	3,648,553
Investment	89,111	141,763	501,155	651,155	859,392	659,392	659,392	417,630	583,526	417,630	459,392	5,502,927
Development	375,621	563,200	801,990	833,200	839,300	1,018,200	868,200	799,315	476,205	443,200	519,910	7,805,735
Total	1,146,648	1,332,199	1,768,881	1,950,092	2,464,429	2,147,329	1,997,329	1,858,681	1,701,467	1,502,566	1,621,039	20,399,076
Cash Paid Out (Non P & L)												
Loan Interest	12,099	150,000	-	-	250,000	-	-	355,000	-	-	365,000	1,189,273
Refunds	1,342	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,967
Transfer to Deposit Account	-	-	-	-	-	-	-	-	-	-	-	1,000
Total	13,441	151,000	1,000	1,000	251,000	1,000	1,000	356,000	1,000	1,000	366,000	1,203,241
Total Cash Paid out	1,160,089	1,483,199	1,769,881	1,951,092	2,715,429	2,148,329	1,998,329	2,214,681	1,702,467	1,503,566	1,987,039	
Cash Position at End of Month	5,015,681	5,205,436	4,920,581	4,883,768	3,892,293	3,734,070	3,211,196	2,771,121	2,208,508	1,822,196	4,359,484	-
Deposit Acct At end of Month	4,355,859	4,355,859	4,355,859	4,355,859	4,355,859	4,355,859	4,355,859	4,355,859	4,355,859	4,362,414	862,414	
Total Funds Available	9,371,541	9,561,296	9,276,441	9,239,627	8,248,153	8,089,930	7,567,055	7,126,980	6,564,367	6,184,610	5,221,898	

OPERATIONS REPORT TO 31 MARCH 2023

Board 28 June 2023

Report by Director of Operations

Purpose of Report

- 1.1 To update the Board on Allocations, Anti-Social Behaviour, Estate Management, Complaints and Repairs for 2022/23.

Summary

- 2.1 The Allocations Report, at Appendix 1, allows trend and changes in demand and supply to be tracked. The supply of vacancies is primarily of 1 and 2 bedrooms which relates well to the fact that 53% of the waiting list is single people. The level of demand has also remained fairly stable when compared to previous years which indicated our development programme is not having a big impact on our waiting lists.
- 2.2 Complaints Performance, at Appendix 2, shows the number of complaints received from 1 October 2022 – 31 March 2023, was 74. This was significantly higher than the 33 received in the previous 6 month period. We also received 65 compliments in the period.
- 2.3 An update on Anti-Social Behaviour (ASB) & Estate Management can be found at Appendix 3. The number of ASB complaints increased from 12 in 2021/22 to 13 in 2022/23.
- 2.4 Repairs Performance for the period 1 October 2022 – 28 February 2023 has been deemed good. Operationally the contractor has provided a good service and this is reflected in the Service Review, at Appendix 4.

Competence

- 3.1 The financial, legal and other implications are detailed in paragraph 5.1 – 8.1 of this report.

Recommendations

- 4.1 **It is recommended that the Board:**
- a) **note the Allocations Report 2022/23 at Appendix 1;**
 - b) **agree the quota of vacancies in Stornoway remain at 50% for homeless applicants and that the number of 2 apt properties being made available for homeless applicants in Stornoway be retained at 25 per annum;**
 - c) **agree the quotas for allocation properties in Stornoway remain at 15% for transfer applicants and 35% for other waiting list applicants;**
 - d) **note the Complaints Performance at Appendix 2;**
 - e) **note the Anti-Social Behaviour & Estate Management Performance at Appendix 3; and**
 - f) **note the Repairs Service Review at Appendix 4**

Competence

Financial

- 5.1 There are no financial constraints to the recommendation in this report being implemented.

Legal

- 6.1 There are no legal constraints to the recommendation in this report being implemented.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 Lack of demand from housing will impact the income and strength of the business. Reducing population is captured within the Risk Register with the residual rating of 20 (high).
- 8.2 Repeated failures to meet SPSO Complaints response timescales could result in bother the Regulator and SPSO reviewing our complaints handling process and staff training, and we would fail to meet Business Plan target 1.3.
- 8.3 Failure to meet adequate repairs service review scoring against the criteria could affect our ability to meet regulatory and legal obligations and performance targets. In addition, contractor failure is identified on our Risk Register with a residual rating of 12 (medium).

APPENDIX 1:	Allocations Report 2022/23
APPENDIX 2:	Complaints Performance
APPENDIX 3:	Anti-Social Behaviour & Estate Management
APPENDIX 4:	Repairs Service Review
Background Papers:	Allocations Policy
Writer of Report:	Jonathan Fairgrieve

Tel: 0300 123 0773

Allocations Report

2022/23

WRITTEN BY: Mina Maclean, Housing Officer (Allocations)
DATE: 14 June 2023



hebridean housing
partnership

EXECUTIVE SUMMARY

The information in this report allows trends and changes in demand and supply to be tracked.

CONCLUSIONS

The supply of vacancies is primarily of 1 and 2 bedrooms which relates well to the fact that 53% of the waiting list are single people.

The percentage of lets made by ethnic group is in line with the composition of the waiting list although the numbers are small.

The level of demand has remained fairly stable this year. It is difficult to ascertain at this time whether this will remain the trend. There are 504 applicants on the waiting list excluding transfer applicants but including suspended and deferred applications. If excluded the figure is 401. Compared to the supply of housing at an average of approximately 200 per annum, the level of demand per vacancy is not high. This position is consistent with previous years and is an important issue to note in business terms.

There is continuing concern that we are increasing supply through the Development programme while demand is static or shrinking. Discussions are ongoing with the Comhairle and Community Planning Partnership as to how these trends can be addressed through the Local Housing Strategy development process.

The void loss figure decreased significantly from 1.1% in 2021/22 to 0.5% in 2022/23.

AIMS

1.1 The aims of this report are to:

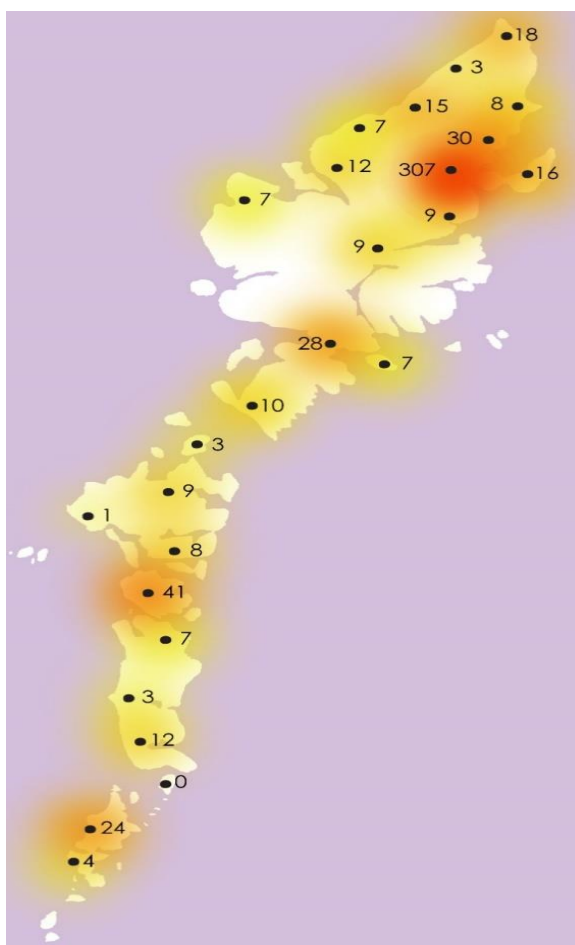
- provide information on the supply and demand for social housing in the Outer Hebrides
- inform decisions on the requirement for, and location of, new supply
- monitoring equality in terms of access to housing.

SUMMARY

2.1 A summary of waiting list (includes transfer applicants but not suspended and deferred applicants) for the period is below:

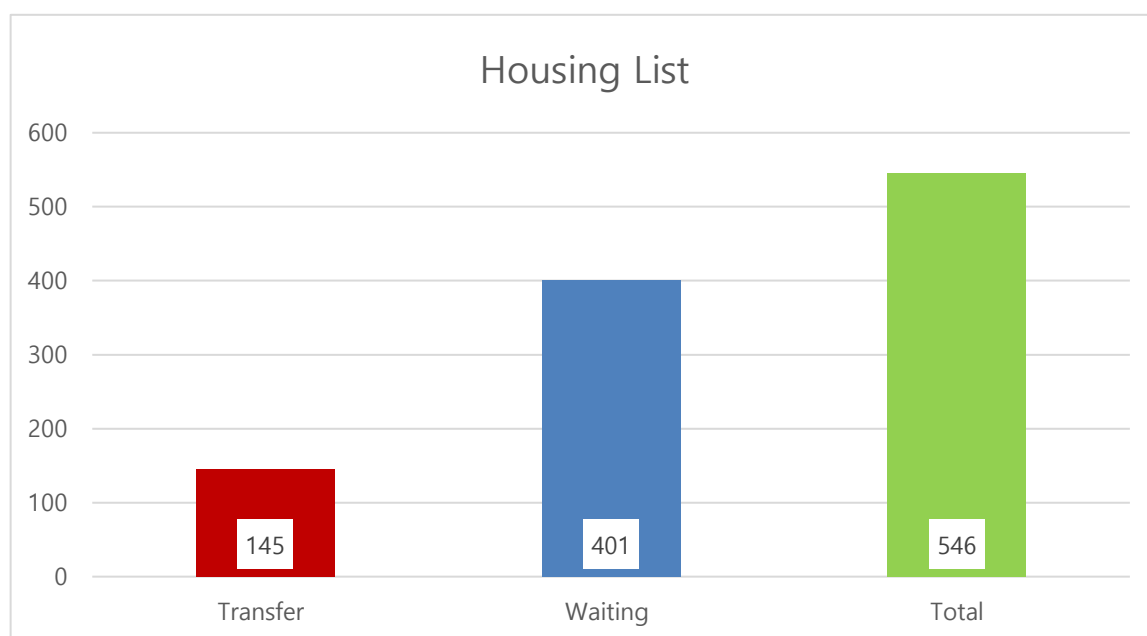
Waiting List as at 31 March 2022	573
New applications	530
Individuals Housed	282
Applications Withdrawn	257
Waiting List as at 24 February 2023	546

3.1 The map below shows the number of applicants on the waiting list at by first choice area of preference. Figures are only provided up to 24 February 2023 as we began the implementation of the new Housing IT system at that time. Our reporting capabilities from the new system are being developed but it is more practical at present to report on the year to 24 February 2023, which is almost a full year.



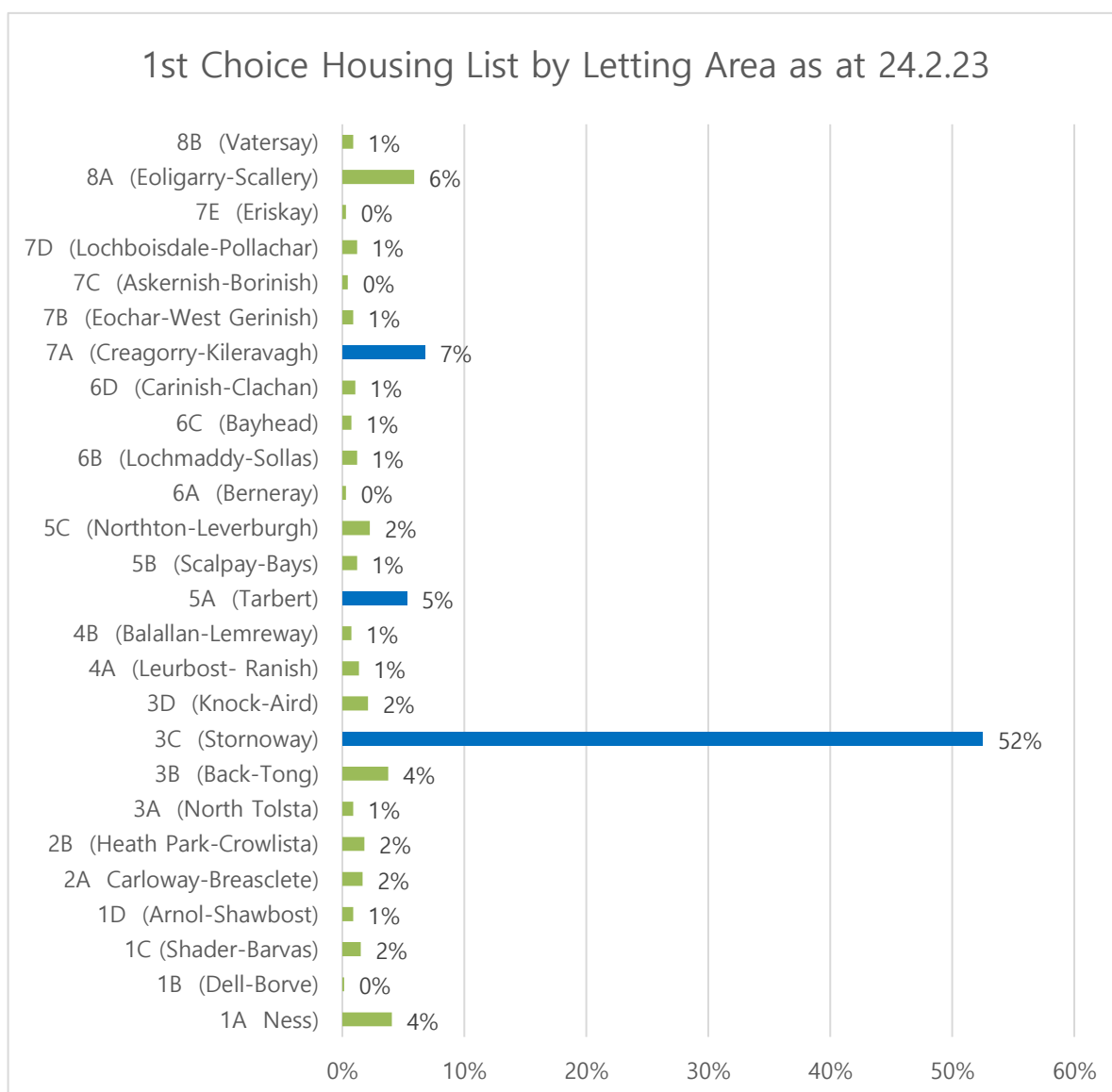
3.2 Demand is highest at the main centres of population and is lowest in the most rural areas. This will be a similar picture nationally.

- 3.3 The waiting list is broken down to show waiting and transfer applicants (excluding 23 suspended and 94 deferred) below.



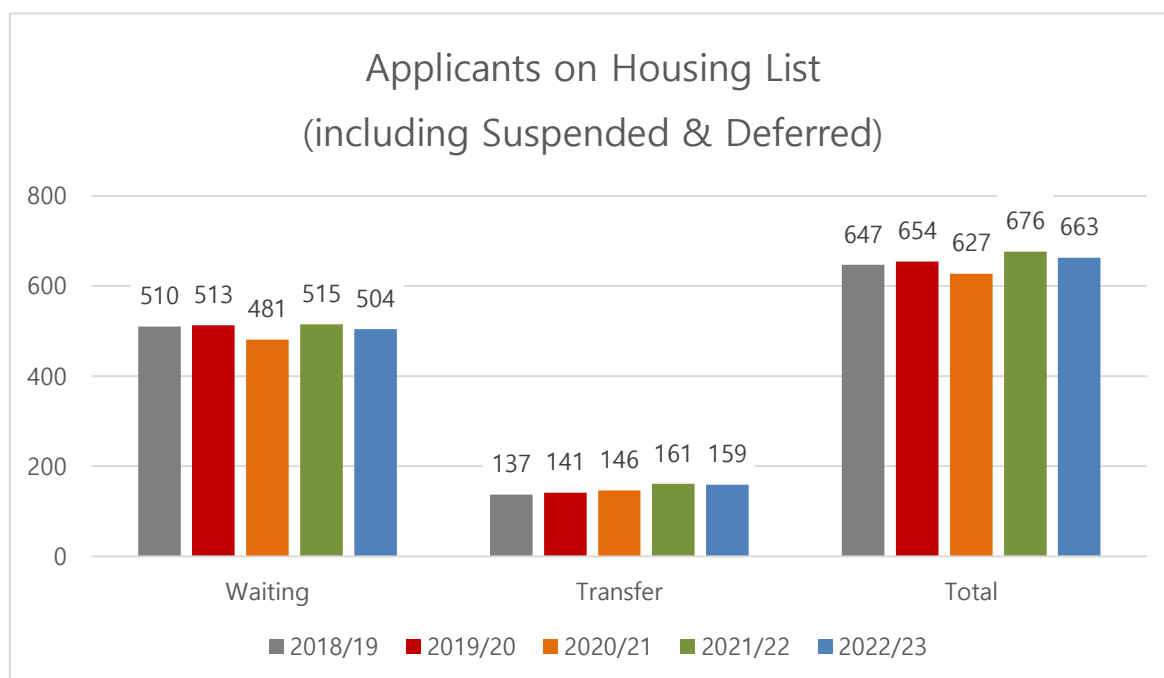
PERCENTAGE OF DEMAND BY AREA BY FIRST CHOICE

4.1 The chart shows that the largest demand by a considerable distance is for the Stornoway area with 52% of applicants recording this as their first preference. The next largest areas of demand are Creagorry/Kileravagh with 7%, Eoligarry/Scallery at 6% followed by Tarbert at 5%.



BREAKDOWN OF APPLICANTS ON WAITING LIST FROM 2016/17 – 2022/23
(INCLUDING SUSPENDED & DEFERRED)

5.1 The chart below shows the number of applicants on the waiting list over the last seven years. The figures in this chart include waiting, transfer and also suspended and deferred applications.



5.2 There are 504 applicants on the waiting list. This reduces to 401 when excluding suspended and deferred applications.

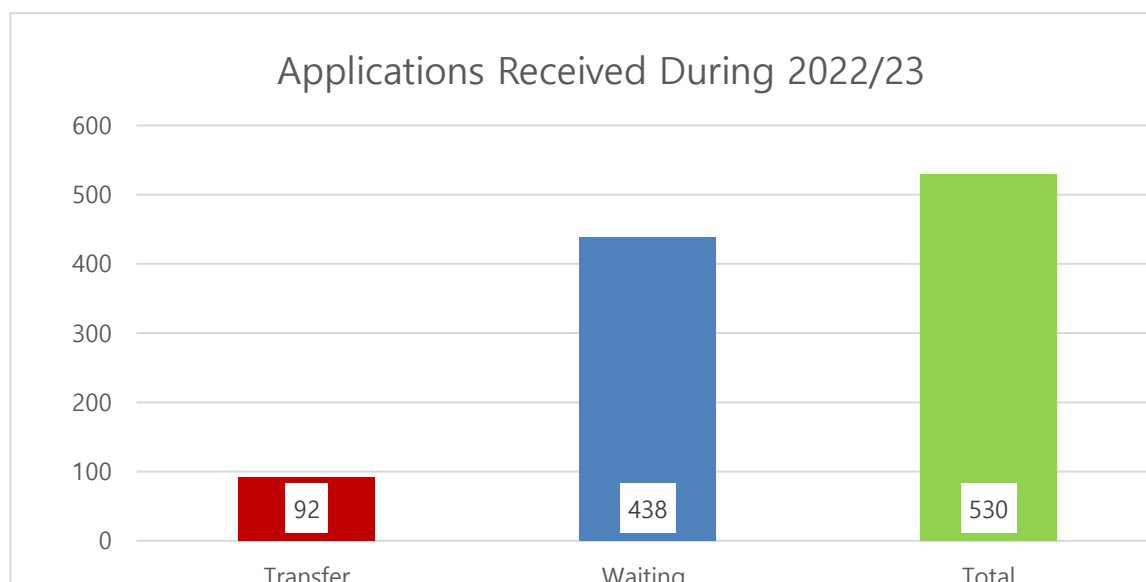
5.3 Applications are suspended for reasons such as rent arrears, refusal of offers and unsatisfactory tenancy references.

5.4 Applications will be deferred where applicants do not want to be housed at present of where they own a property and are not eligible to be offered a property.

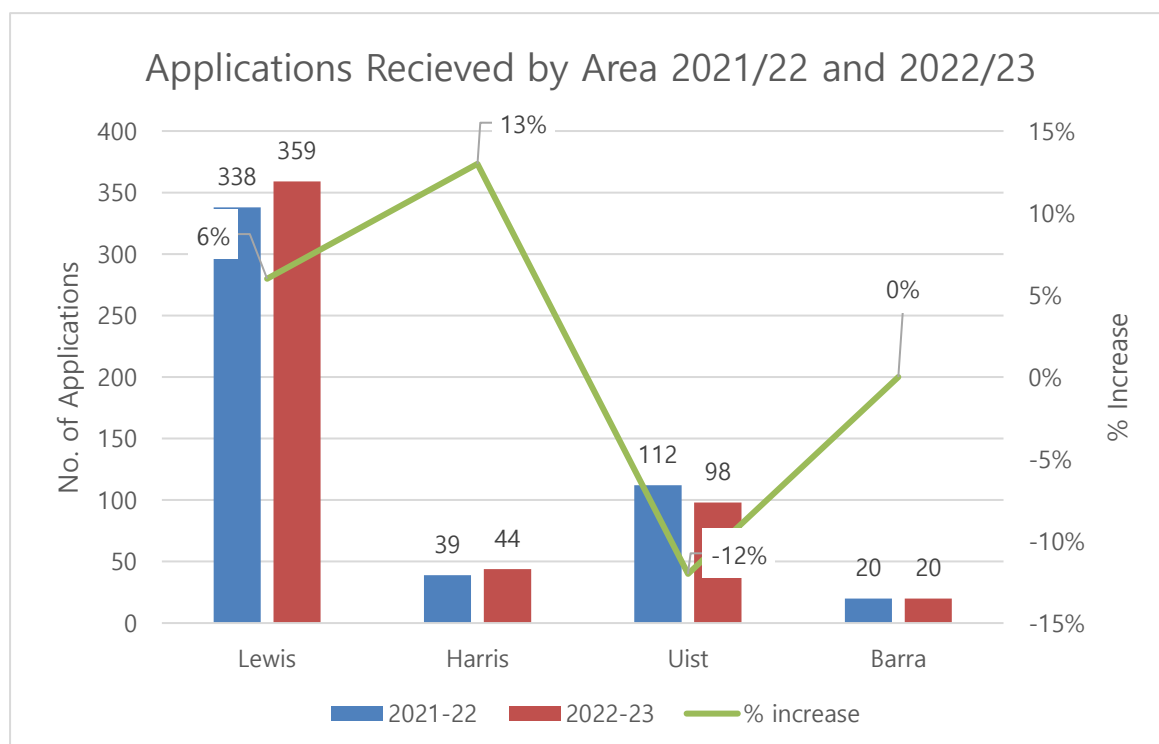
5.5 There has been a 2% decrease in the total number of applicants from 31 March 2022 to 24 February 2023 and a 2.2% decrease in the waiting list applications. Overall numbers have remained fairly stable since 2016 after a sustained period of decline before then.

APPLICATIONS RECEIVED DURING 2022/23 (UP TO 24 FEBRUARY 2023)

- 6.1 The total number of applications received during 2022/23 was 530 an increase of 4% from the previous year and an increase of 15% on 2016/17.

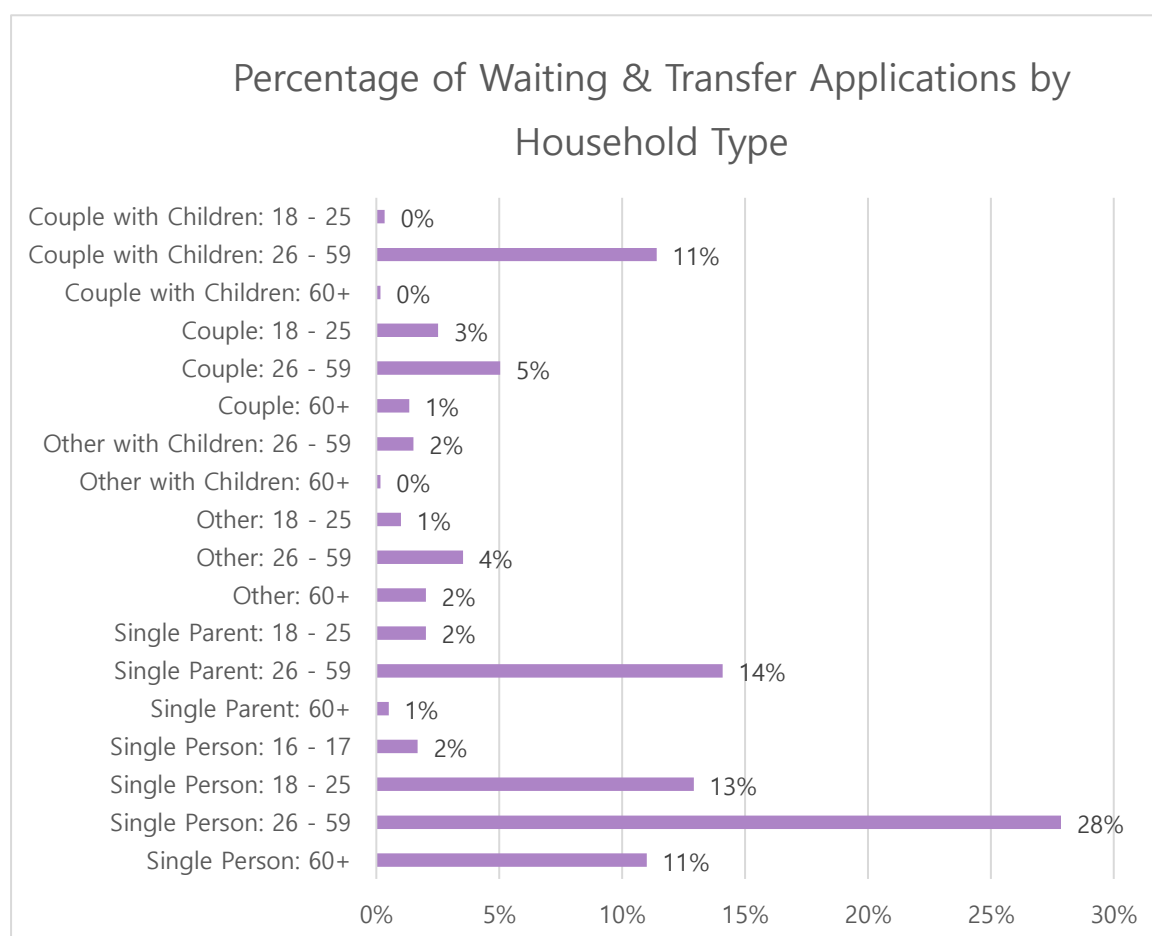


- 6.2 The chart below shows the number of applications received over the last two years broken down by areas and the percentage increase. There has been an increase of 6% in the Lewis area and a decrease of 12% in Uist.

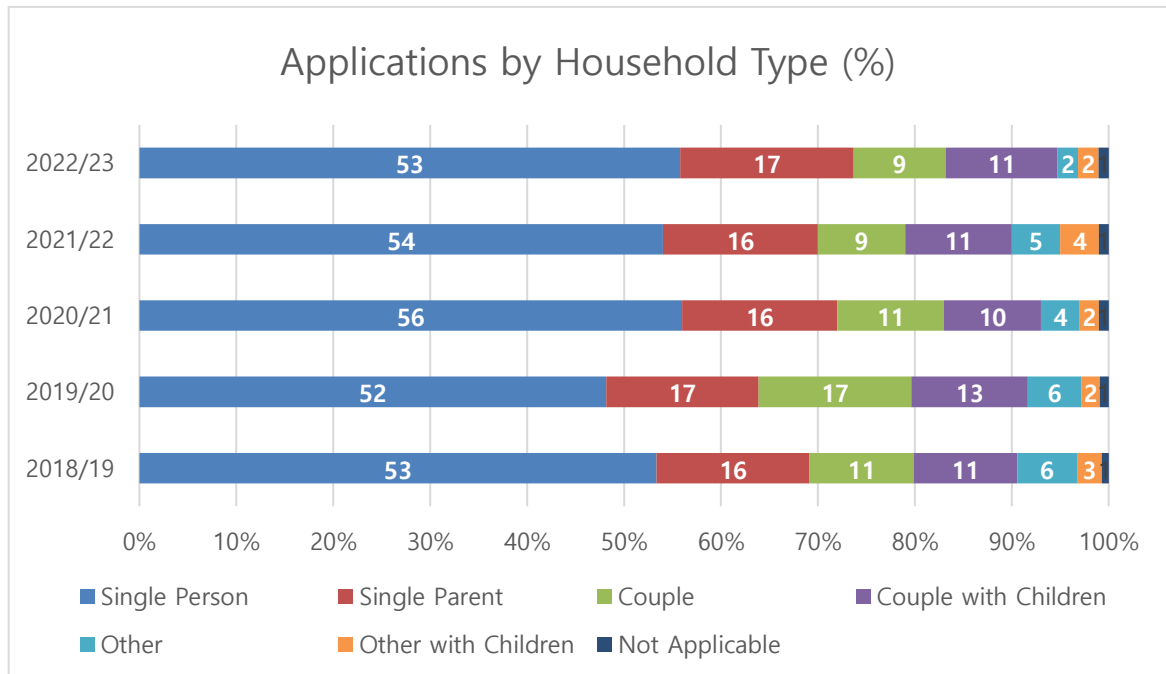


PERCENTAGE OF WAITING & TRANSFER APPLICATIONS BY HOUSEHOLD TYPE

- 7.1 Single people make up 54% of the applicants with 28% aged 26-59. 30% of applicants are households with children.
- 7.2 In 2018/19, 53% of applicants were single and 27% were single people aged 26-59. 28% of applicants were households with children.



6.3 The chart below shows the applications by Household type over the last six years.

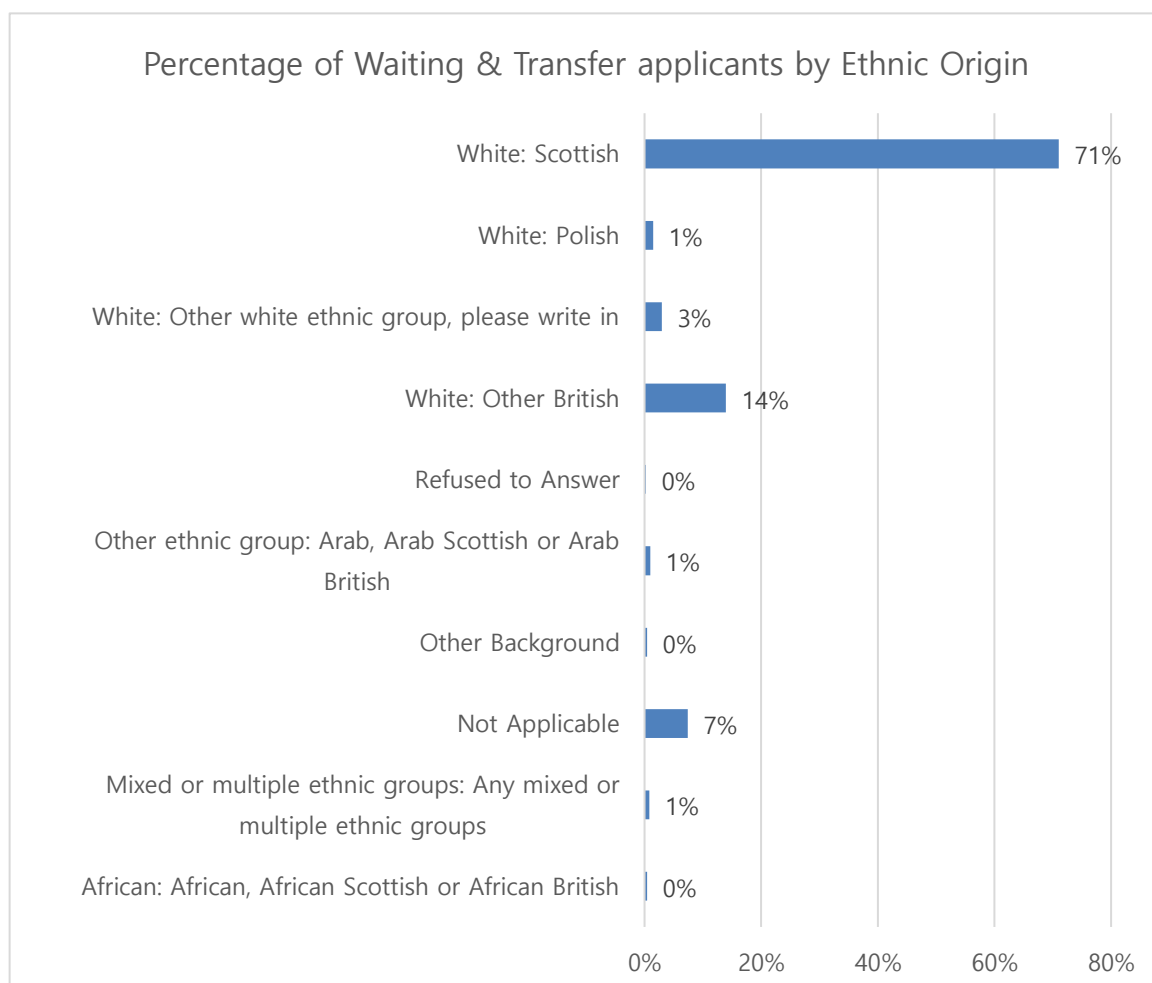


PERCENTAGE OF WAITING & TRANSFER APPLICANTS BY ETHNIC ORIGIN

8.1 79% of applicant provided data. The table below shows the details of applicants by ethnic origin:

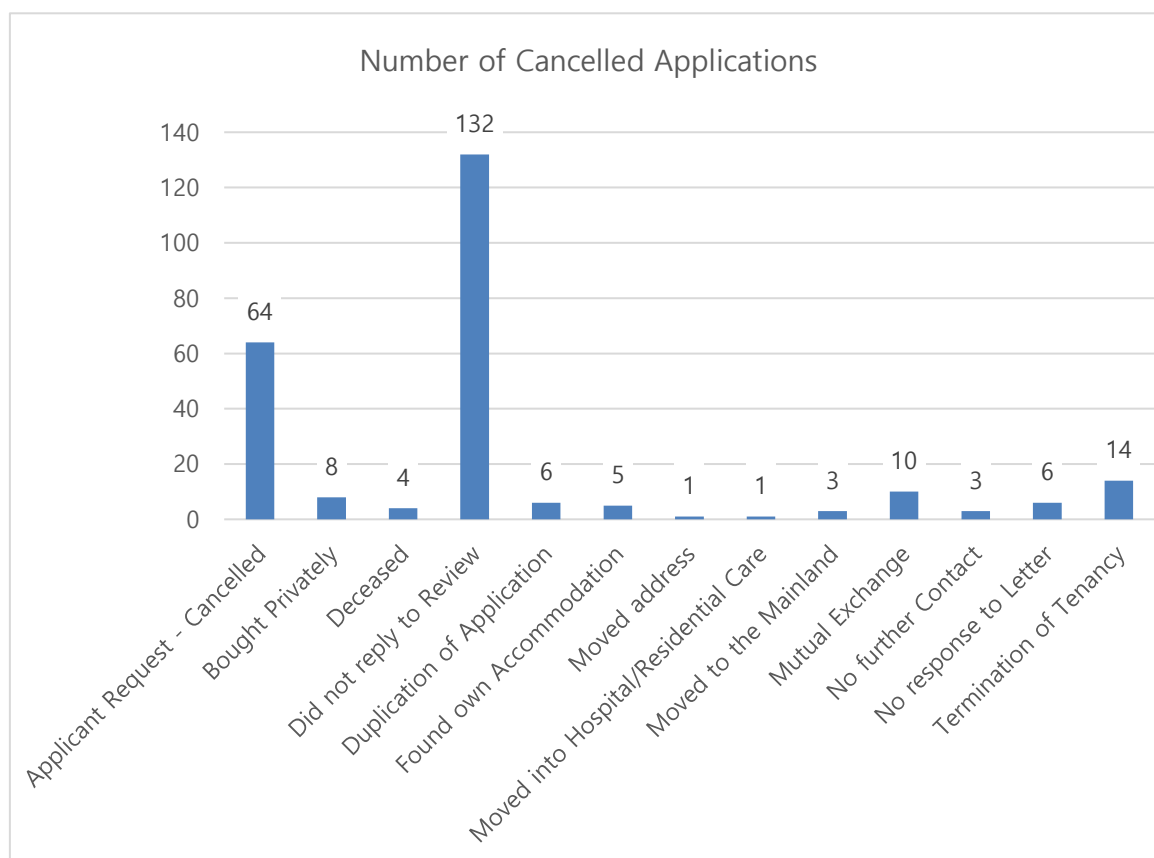
Year	Ethnic Origin (%)			
	White Scottish	White Other	White British	Did not provide
2022/23	71	18	0	7
2021/22	70	6	17	6
2020/21	73	5	17	2
2019/20	76	2	16	0

8.2 The chart below provides a full breakdown of the percentage of applicants by ethnic origin for 2022/23

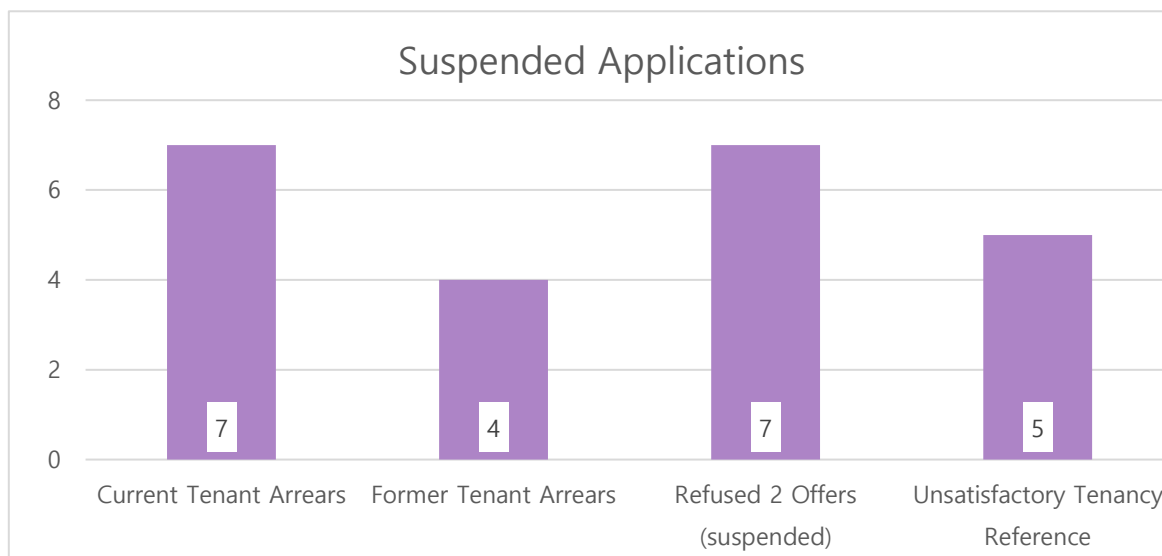


CANCELLED, SUSPENDED AND DEFERRED APPLICATIONS

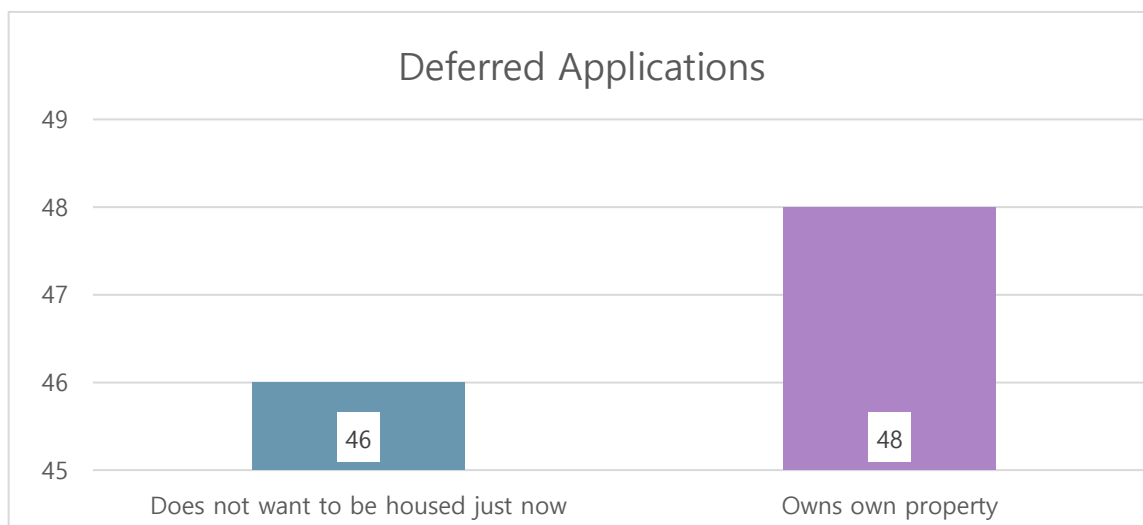
- 9.1 During the year 257 applications were cancelled 132 of these were due to non-return of review forms, which indicated that people are no longer interested in being offered housing. The rolling review process is important in keeping data live and up to date.



- 9.2 In 2021/22 there were 129 applications cancelled due to non-return of review forms and in 2019/20 the figure was 114.
- 9.3 In some circumstances applicants will be suspended from the waiting list. Suspended applicants are reviewed every month to ensure that the suspension is still relevant. There are currently 23 applications suspended, 7 are suspended because of current tenant arrears, 4 are suspended because of former tenant arrears and 5 because of conduct issues. 7 applicants are suspended for refusing two offers of housing which met their choices.

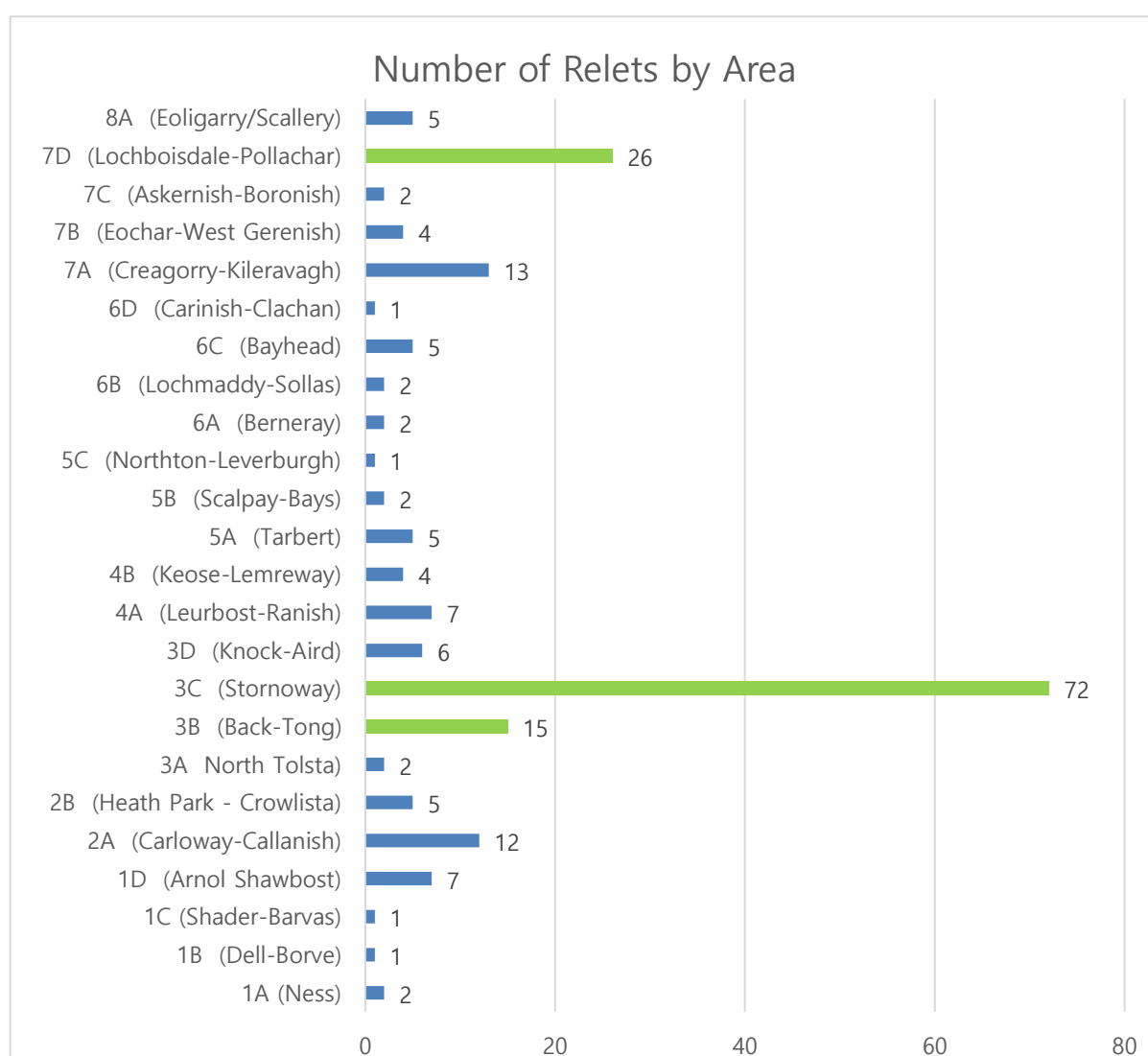


- 9.4 46 applicants do not wish to be housed at present and are deferred until such time as their circumstances change. 48 applicants are deferred as they own their own property and are not eligible for an offer of housing under the Allocation Policy.



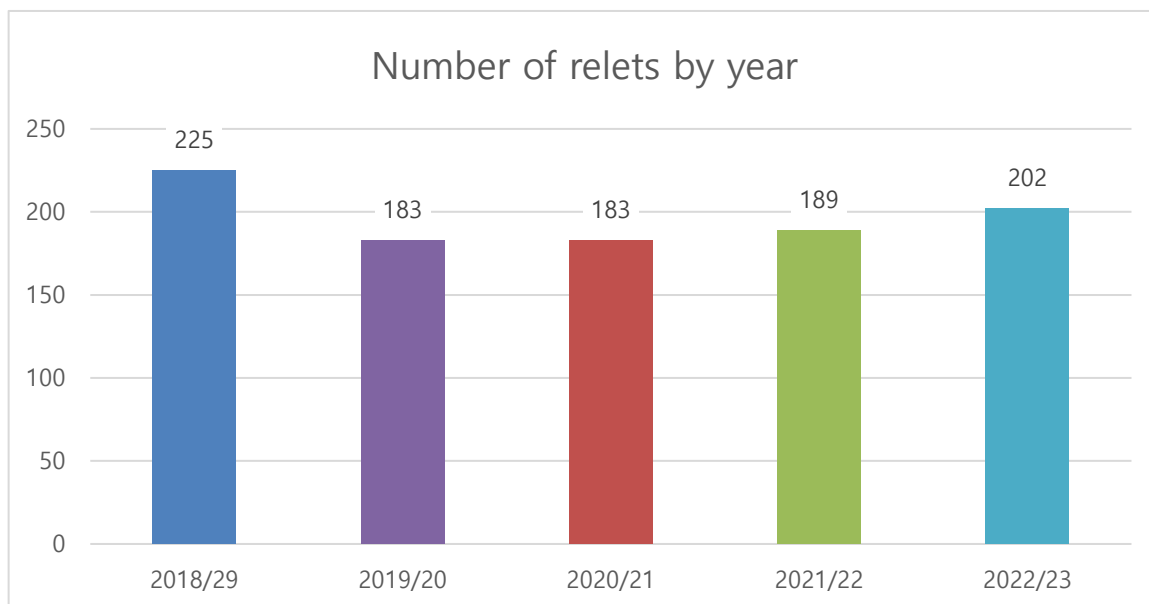
HOUSING SUPPLY

- 10.1 In total 202 properties were re-let during 2022/23. There were 35 lets made to transfer applicants. There was 1 Direct Let to other agencies. There were 44 new build lets.
- 10.2 The number of relets by area is shown below. The highest amount of lets were in Stornoway, Lochboisdale and Back/Tong with 72 lets (35.64%) in the Stornoway area, 26 lets (12.87%) in Lochboisdale and 15 lets (7.43%) in Back-Tong.



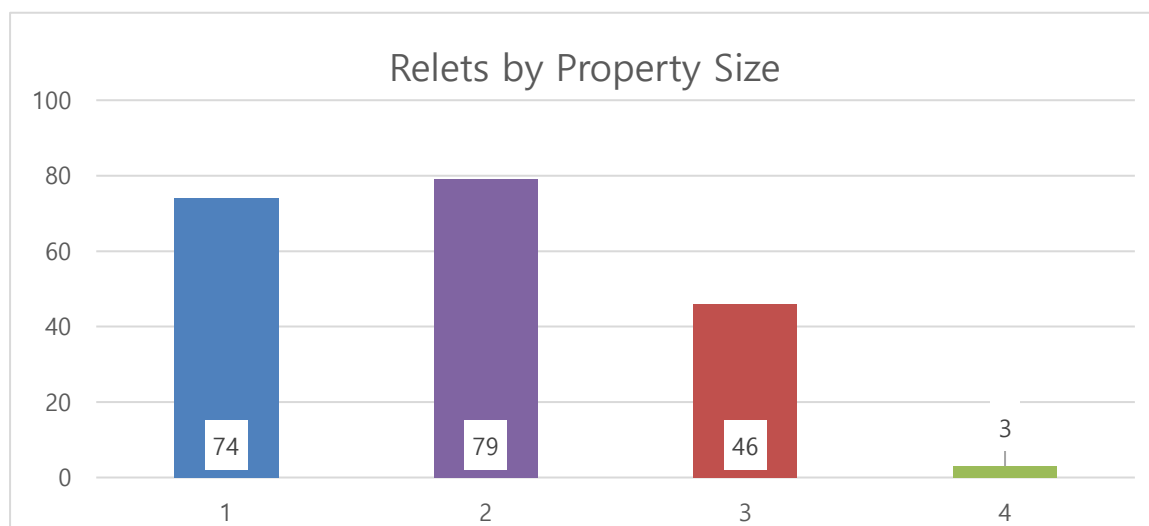
- 10.3 In the 2021/22 report the figures were 90 lets (47.62%) in the Stornoway area, 5 lets (2.65%) in Balivanich and 10 lets (5.29%) in Lochboisdale.

10.4 The chart below shows the relets for each year since 2018/19.

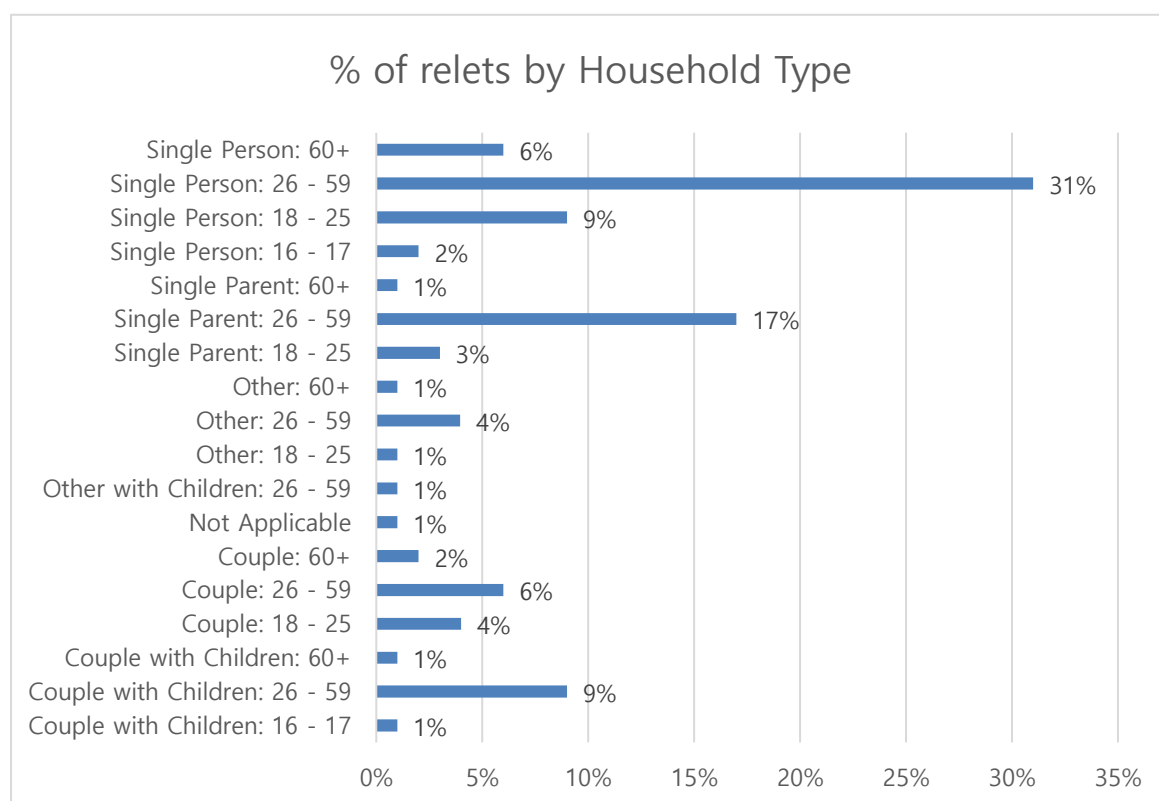


10.5 The table below shows lets by property size:

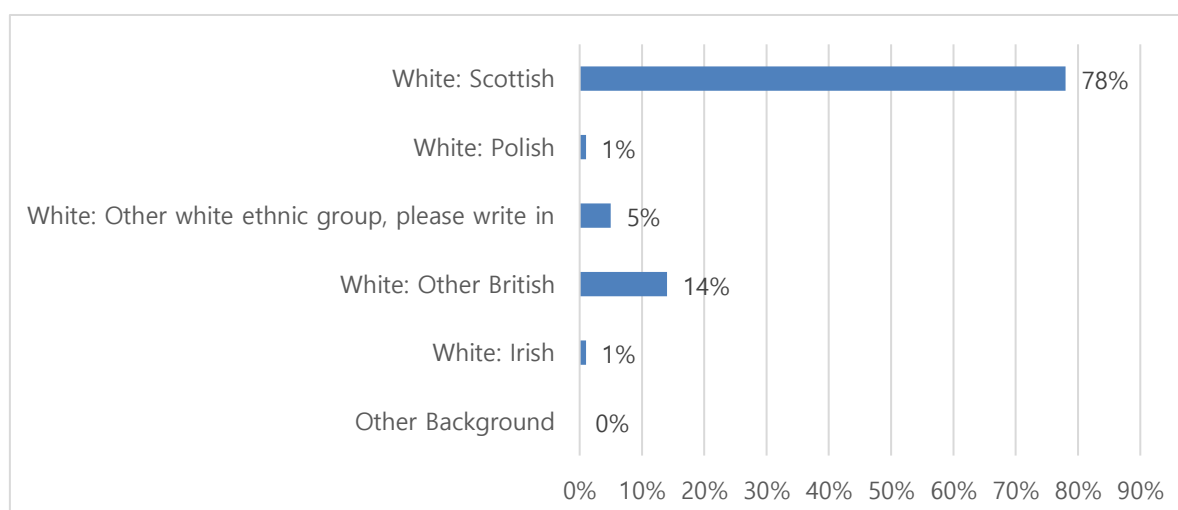
Year	Lets by Size		
	1 bedroom	2 bedroom	3 bedroom
2022/23	74	79	46
2021/22	51	83	50
2020/21	54	70	35
2019/20	69	79	33



- 10.6 The graph below shows applicants housed during the year by household type and by ethnic origin. 11% of lets were to couples with children, 12% were to couples, 21% were to single parents and 58% were to single people. These figures are broadly in line with the proportion of households on the waiting list.

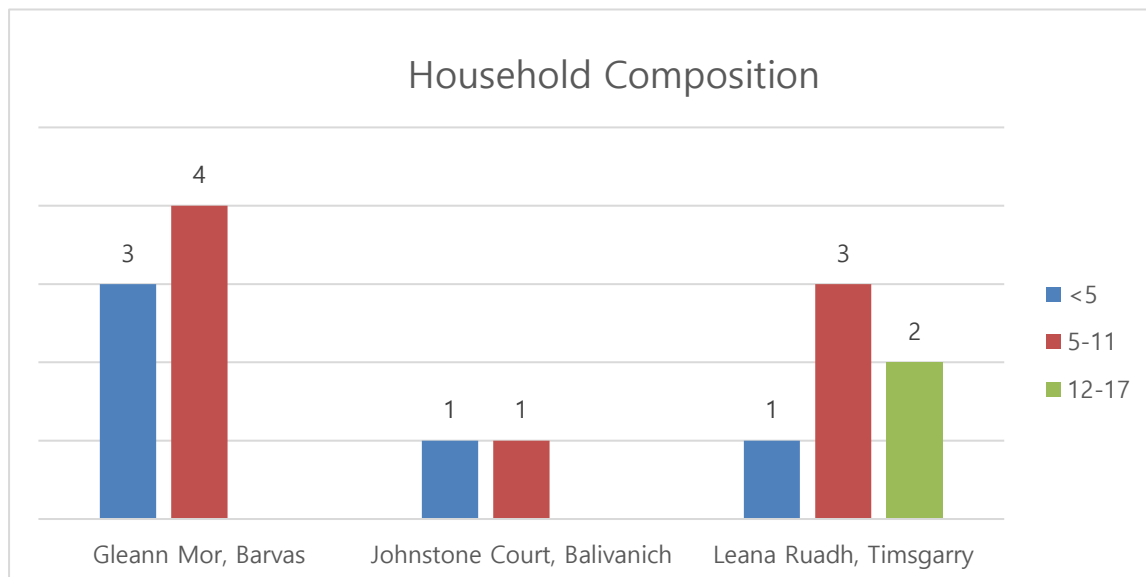


- 10.7 71% of applicants provided ethnic origin information. Of this 78% of lets were to white Scottish applicants and 22% to other white groups. This is broadly in line with the make-up of waiting lists.



NEW BUILD LETS

11.1 In 2022/23 there were 44 new build lets. The chart below shows the household composition of under 5, 5-11 and 13-17 year olds in new build properties.

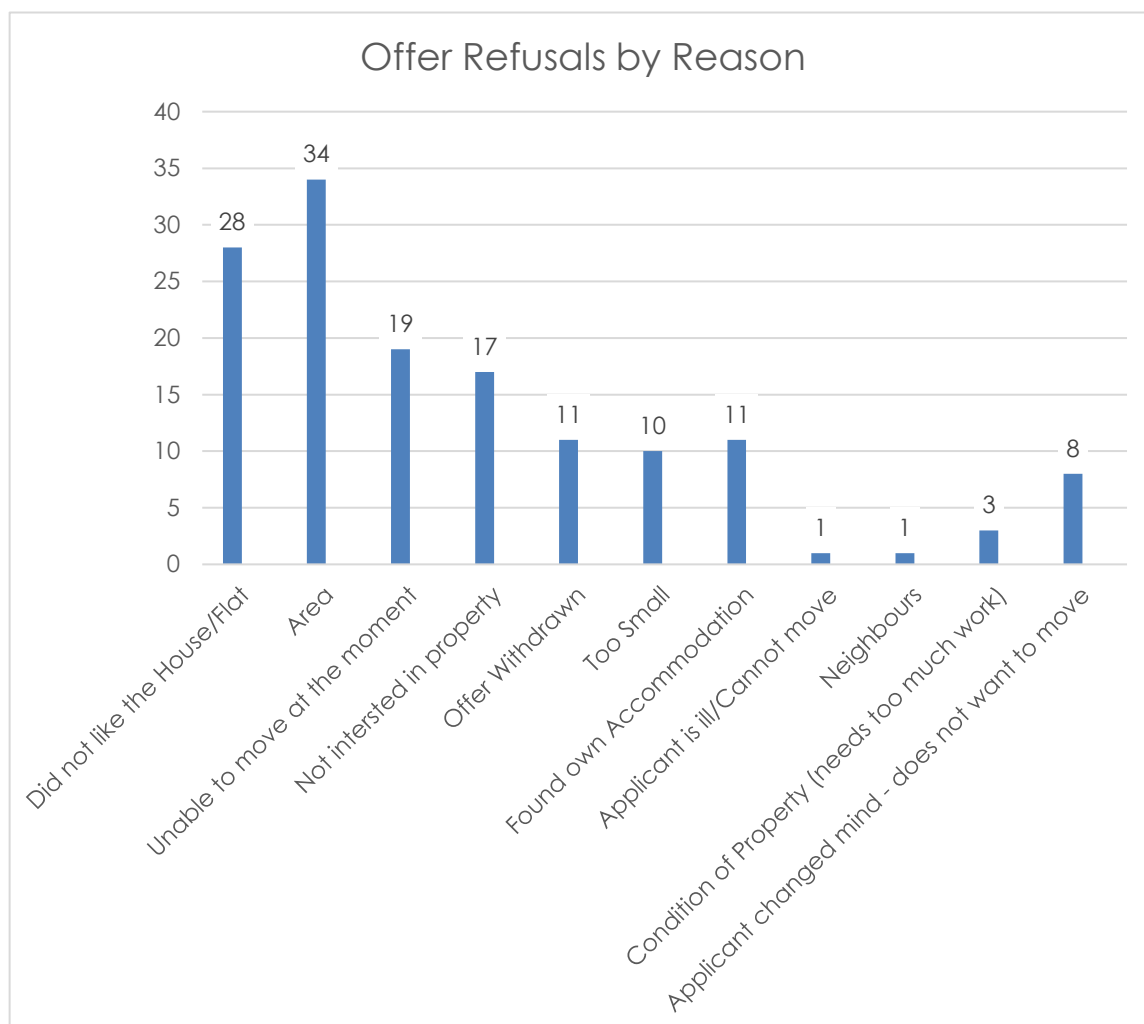


11.2 The table below gives information on families who were already in the area or moved into the area when allocated.

Development	No. Moved into Area	No. Already in Area
Gleann Mor, Barvas	1	6
Johnstone Court, Balivanich	0	2
Leanne Ruadh, Timsgarry	1	5

TENANCY REFUSALS

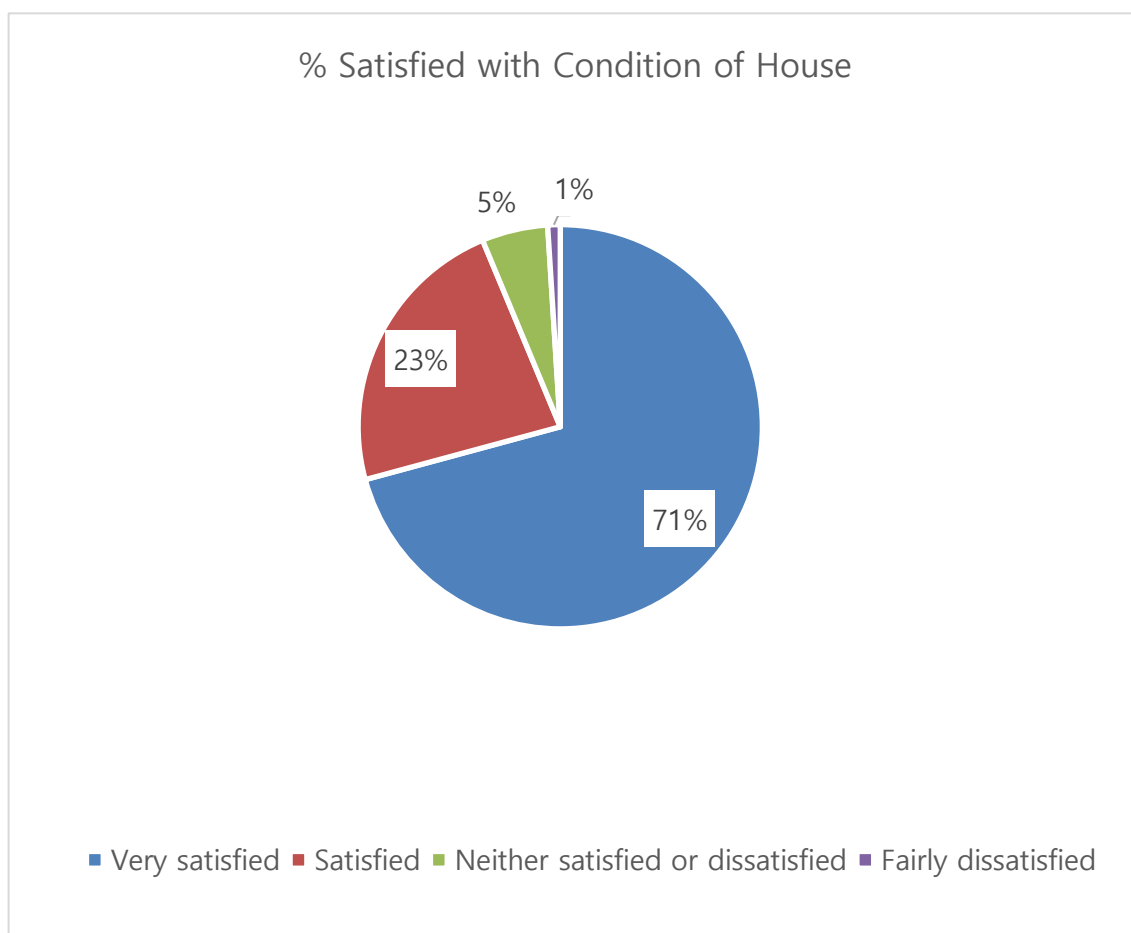
12.1 The chart below shows the offers that were refused in 2022/23 and the refusal reasons.



12.2 37% of offers of housing were refused. 40% of refusals were made by an applicant who was receiving an offer for the first time.

NEW TENANT SATISFACTION WITH CONDITION OF HOME

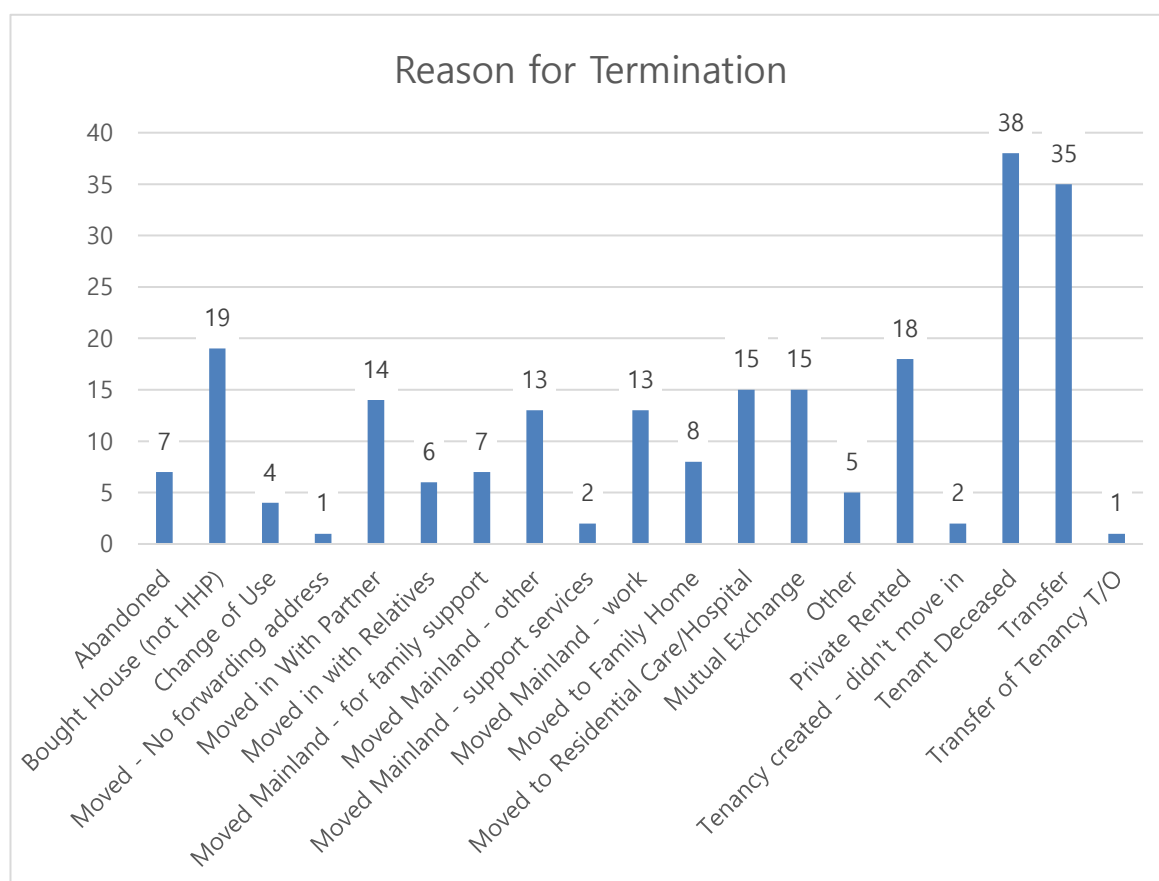
- 13.1 Within a week of starting a new tenancy we will send a questionnaire to tenants asking them about the standard, decoration, cleanliness of the property and the quality of repairs carried out. 35% of questionnaires were returned. 94% of tenants who responded said they were satisfied with the condition of the house. 6% were dissatisfied due to decoration and/or the condition of the property.



- 13.2 In 2021/22 there were 20% of questionnaires returned. 84% of tenants who responded said they were satisfied with the condition of the house. 8% were dissatisfied due to decoration and the condition of the property.

NEW TENANT SATISFACTION WITH CONDITION OF HOME

- 14.1 The reasons for terminations are, 16% moved to the private sector, while 16% moved to the mainland including 6% who moved to the mainland for work. 8% bought their own house.



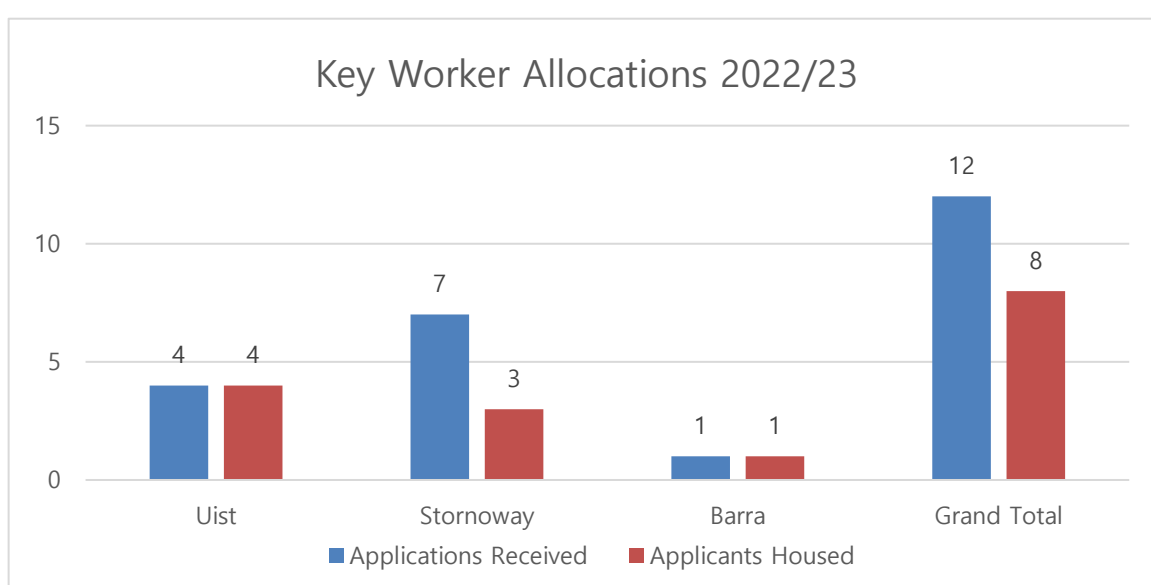
- 14.2 In 2021/22 there were 13% who bought their own house.
- 14.3 If we excluded people who transferred this figure would be 20% moved to the private sector, 17% moved to the mainland and 7% moved to the mainland for work.

KEY WORKER STATUS

- 15.1 To assist employers in the island with recruitment the Board agreed to include Key Worker Status in the Allocations Policy. Employers can request this where they are unable to recruit locally in key areas such as Care, Health and Education services.
- 15.2 Recruitment and retention of staff continues to be a concern for Comhairle Nan Eilean Siar particularly in the Home Care Service which has been severely affected. As a result of this, the Comhairle have had to recruit temporarily from a Home Care Agency. This

also requires them to provide agency workers with accommodation for the length of their contract. The Comhairle have also raised concerns of the potential lack of care provision when the new care home and housing with extra care at Goathill is operational as more staff will be required to manage the extra beds. The areas where there is most concern is greater Broadbay and the Westside areas of Lewis.

- 15.3 The chart below shows the number of Key Worker status applications received in 2022/23 and the numbers housed.



LOW DEMAND PROPERTIES

- 16.1 Overall 80 relets during 2022/23 were classed for ARC purposes as being low demand compared to 43 relets in the previous year. In 2022/23 the void loss figure decreased significantly from 1.1% in 2021/22 to 0.5%. Further information and potential interventions will be reported to future Board meetings as appropriate.

HOMELESS APPLICANTS

- 17.1 In 2022/23 a total of 73 statutory homeless applicants were housed. Of these 48 (66%) were housed in the Stornoway area in line with their expressed preference. This is 45% of lets in Stornoway against a target quota of 50%. This quota is to be reviewed annually and it is proposed that it continue at 50% except for 2 apt properties in Stornoway. The Board agreed to increase this to a target of 25 per annum for 2022/23 and 27 allocations were made in the year. Of all allocations made throughout the Outer Hebrides, 30% were made to statutory homeless applicants.
- 17.2 On 19 May 2021 the Board agreed the:
- (a) allocation of up to 25 (2 apt) vacancies per annum to Statutory Homeless applicants in the Stornoway area for an initial 12 month period;
 - (b) impact of the increased allocation was reviewed after 12 months; and
 - (c) the increased allocation was on the basis that the Comhairle committed to establishing a cohesive preventive and housing support strategy in line with their housing development strategy, within the 12-month period.
- 17.3 The Comhairle's Housing Team were asked to provide an update on these issues and their response is detailed in paragraphs 17.4 – 17.10. They advise that the backlog of Statutory Homeless applicants awaiting an offer of permanent accommodation has reduced by 6% in 2022/23. This reduction in Statutory Homeless applicants has impacted positively on the average waiting times for HHP applicants.

Information from the Comhairle's Housing Team

- 17.4 There are 76 Statutory Homeless applicants waiting for a permanent offer of housing as at 31 March 2023. There were 81 Statutory Homeless applicants on the Priority Homeless list on 31 March 2021.
- 17.5 The table below shows the Statutory Homeless (SH) 2 apt allocations made in Stornoway from 2018/19 to 20 May 2023.

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
SH waiting for offer 1 year	42	40	36	34	33	28
SH added in year	28	35	30	33	39	-
SH resolved by other means	10	18	17	14	17	-
Total number of SH in year requiring an offer	60	57	49	53	52	-
SH allocated	20	22	19	22	27	-
2 apt properties void in year	38	40	28	51	49	-
% age of allocations to 2 apt	53	55	68	43	55	-

- 17.6 To reduce the backlog further, the Comhairle have requested that the target of at least 25 allocations be extended for a further year to continue progress.

Prevention Strategy

- 17.7 The Comhairle is awaiting the forthcoming Housing Bill which will outline new duties in relation to the Prevention of Homelessness. It was considered prudent to wait for this Bill before developing a prevention strategy.

Support Strategy

- 17.8 The Comhairle have advised that they have no plans to develop a distinct support strategy. They state that all aspects of support are covered within the Rapid Rehousing Transition Plan. The Comhairle assess all applicants for their support needs and are now providing a Housing First service to six of HHP's tenants. These tenancies have been successfully sustained. A further one statutory homeless applicant is currently waiting for a Housing First tenancy and is being supported in preparing for this. Two more applicants are in the process of being assessed for Housing First. The Comhairle is also working in partnership with HHP to offer support to tenants, when required, to address their arrears.

Housing Development Strategy

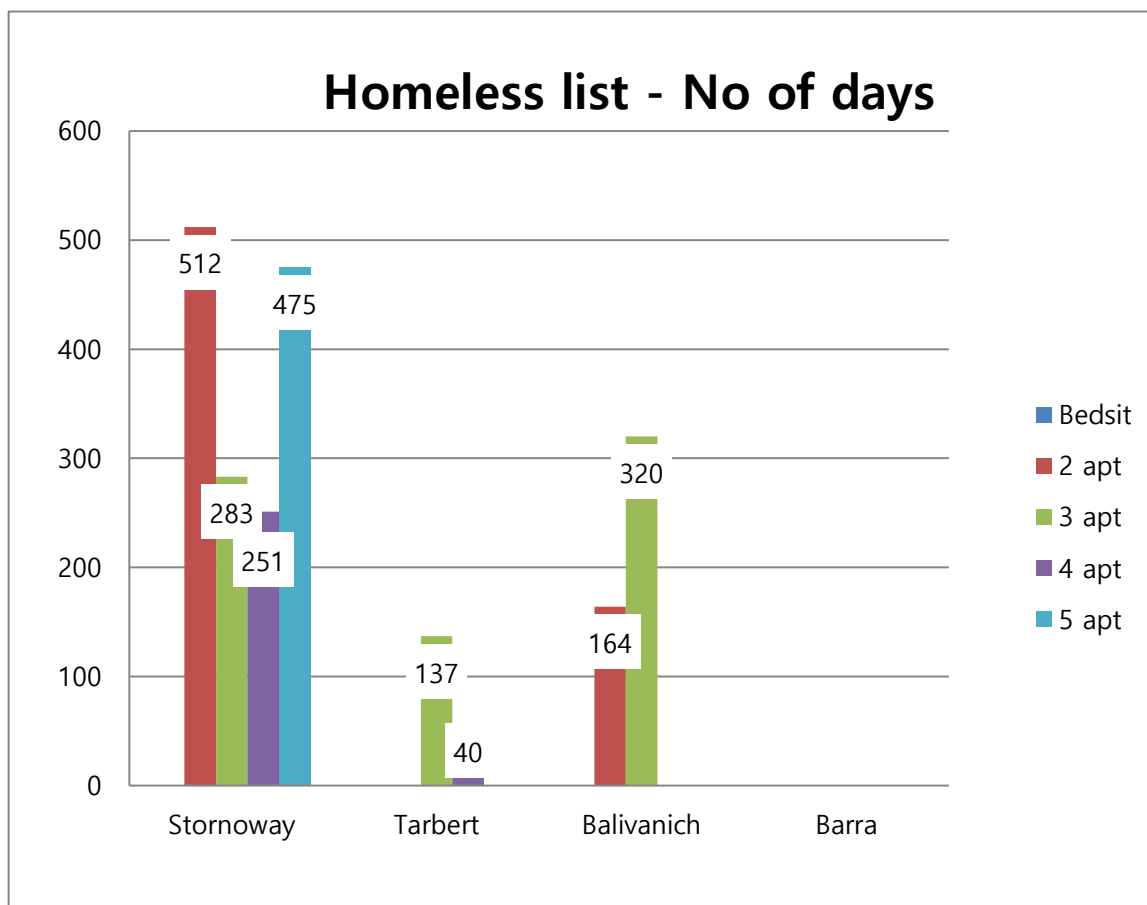
- 17.9 Since 2017 the Comhairle has had a strategic approach towards affordable Housing provision that favours developments in rural areas. This is set out in the

Local Housing Strategy 2017-2022 (LHS) as an aspirational target to see 55% of all new developments take place in the Rural Housing Market Area and 45% in the Stornoway Housing Market Area. The Stornoway HMA consists of Stornoway and outskirts, plus the Point District and most of the Broadbay District, apart from Tolsta.

- 17.10 *The Comhairle has recently started work on its next Local Housing Strategy which will cover the period 2023-2028. The new LHS is due to be drafted by the end of 2023. A key part of the development of the LHS will be consideration of the Affordable Housing Strategy and where new housing should be located. This issue will be considered by the Comhairle, and the local Housing Market Partnership (of which HHP is a member), during 2023.*

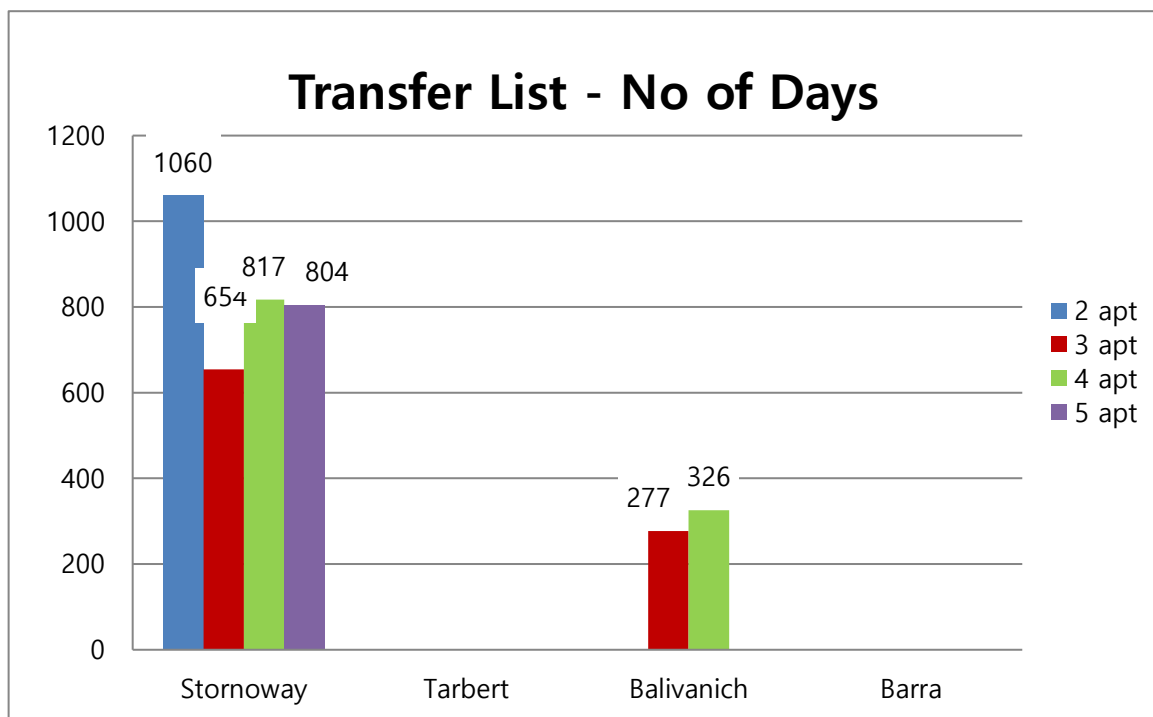
Average Waiting Times for Homeless Applicants

17.11 The average waiting time from the date of applications to commencement of tenancy for the Homeless applicants.

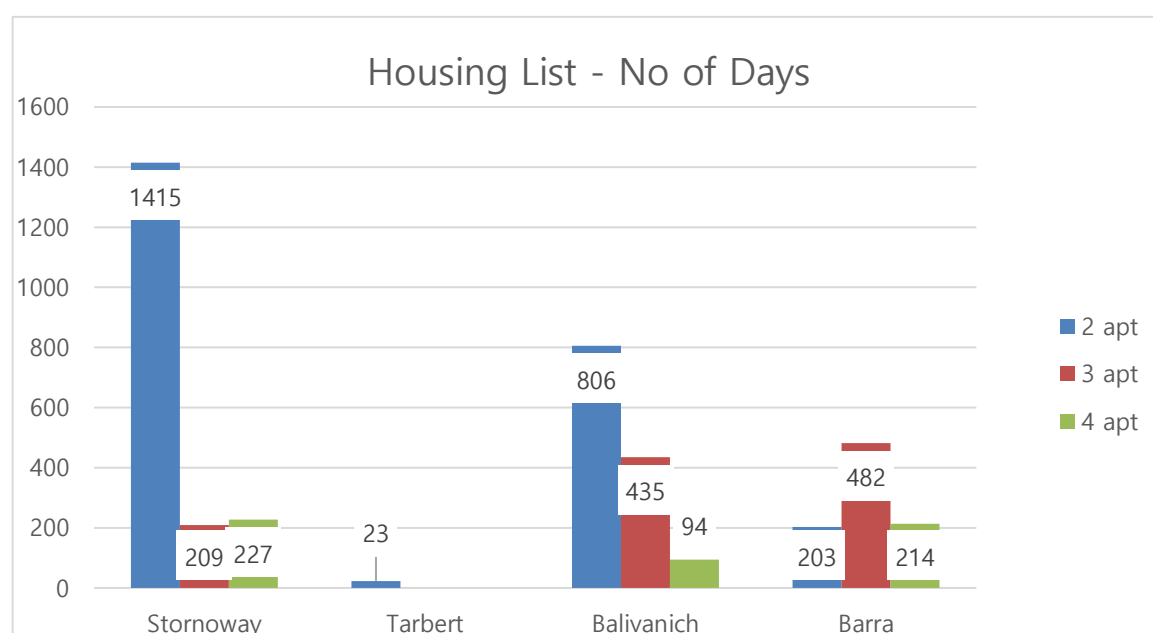


17.12 The shortest time taken to allocate on the Homeless list was 40 days in the Tarbert area compared to 23 days for non-homeless applicants.

17.13 The average waiting time from the date of application to commencement of tenancy for Transfer applicants.



17.14 The average waiting time from the date of application to commencement of tenancy for non-transfer applicants



QUOTAS FOR ALLOCATING HOUSES

- 18.1 Within the Stornoway area it is proposed that houses will continue to be allocated on a one to one ratio between homeless applicants and waiting list applicants.
- 18.2 In terms of new build properties allocations a one-to-one ratio of allocations being made to Priority Homeless applicants may not always be achieved.
- 18.3 The quota for waiting applicants is 35% and for transfer applicants in the Stornoway area is 15%.



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, STORNOWAY, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SC035767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

Phone: 0300 123 0773



Complaints Performance

1 October 2022 – 31 March 2023

COMPLAINTS PERFORMANCE

- 1.1 The report is based on the performance indicators provided by the Scottish Public Services Ombudsman (SPSO).
- 1.2 The categories and outcomes of complaints received from 1 October 2022 to 31 March 2023 are at section 2. The number of complaints received in period was 74, which is significantly higher than the 33 received in the previous 6-month period.
- 1.3 We responded to 92% of complaints within target timescales. We had 6 late responses. Overall, the average number of days to respond is within target. Property and repair issues remain the most frequent complaints.
- 1.4 20% of cases were upheld during the period. The highest percentage of upheld complaints falls in the repairs, recharge or property related complaints. This continues to be monitored and actioned as appropriate.
- 1.5 One complainant raised their complaint with the Ombudsman. The Ombudsman reviewed the initial complaint and decided not to progress with an investigation.
- 1.6 There were 65 compliments received in the period.

Category	Number of Compliments
Service Provision	33
Staff very helpful	32
Grand Total	65

- 1.7 The range of reasons for compliments during the period was wide. A number were grateful for the efficiency with which their repair was dealt with. Many compliments were for the effort that staff had made to assist them with cost of living issues.
- 1.8 17 MSP/MP enquiries were received during the period as shown at Appendix 2.
- 1.9 Learning from complaints is important and details of any learning is recorded on our system. Appendix 3 shows actions to be taken from learning during this period. It also includes an update on actions from the previous quarter.
- 1.10 Complaints regarding our repairs service are still a large proportion of our complaints but as stated in previous reports this represents a very small number of our overall repairs completed. For the period of 1 October 2022 to 31 March 2023 complaints represent 0.2% of completed reactive repairs. Repairs satisfaction also remains very high.
- 1.11 The Operations Management Team continue to discuss complaint handling best practice during monthly meetings. Complaints learning is published on our website quarterly to show actions taken as a result of our complaints process.

TENANT COMPLAINTS

Complaints made by Tenants, Applicants and Other Service Users.

Period: 1 October 2022 – 31 March 2023

- 2.1 The SPSO produced a list of mandatory KPIs for all organisations. The following tables are presented as required by the SPSO.

Table1: The total number of complaints received

The sum of the number of complaints received at Stage 1 (this includes escalated complaints as they were first received at Stage 1), and the number of complaints received directly at Stage 2.

Frontline		Escalated		Investigation		Total	
32	43%	2	3%	40	54%	74	

Table 2: The number and percentage of complaints at each stage that were closed in full within the set timescales of five and 20 working days

The number of complaints closed in full at stage 1, stage 2 and after escalation within MCHP timescales as % of all stage 1, stage 2 and escalated complaints responded to in full.

	Frontline		Escalated		Investigation		Total	
Late	1	3%	0	0%	5	12%	6	8%
On Time	31	97%	2	100%	38	88%	71	92%

Table 3: The average time in working days for a full response to complaints at each stage

The average (mean) time in working days to respond at stage 1, stage 2 and after escalation.

Frontline	Escalated	Investigation
3.6	13.5	15.2

Table 4: The outcome of complaints at each stage

The number of complaints upheld, partially upheld, not upheld and resolved at stage 1, stage 2 and after escalation as % of all complaints closed at stage 1, stage 2 and after escalation.

	Frontline		Escalated		Investigation		Total	
Not Upheld	22	69%	2	100%	34	79%	58	75%
Upheld	6	19%	0	N/A	8	19%	14	18%
Partially Resolved	0	N/A	0	N/A	1	2%	1	1%
Resolved	4	13%	0	N/A	0	N/A	4	5%
Total	32	100%	2	100%	43	100%	77	100%

SPSO Complaints

- 2.2 During the period 1 October to 31 March 2023, one complaint went to the SPSO. The SPSO ask for a copy of the complaint, along with communication with the complainant for review before deciding to proceed to full investigation.
- 2.3 Taking all this into consideration the SPSO decided on this occasion not to investigate. The view was that they considered HHP's response to be reasonable and in line with our policy.

Number of Complaints by Call Type

Table 5: Number of complaints by category

Category	Frontline	Escalated	Investigation	Total
Allocations	1			1
Defects/New build	1	1	4	6
Estate Management	1			1
Factoring	1			1
HHP not following own policy	2	1	19	22
Investment/Planned	3		11	14
Property Condition Poor			5	5
Quality of work poor	5		3	8
Recharge	10		1	11
Repairs	8			8
Grand Total	32	2	43	77

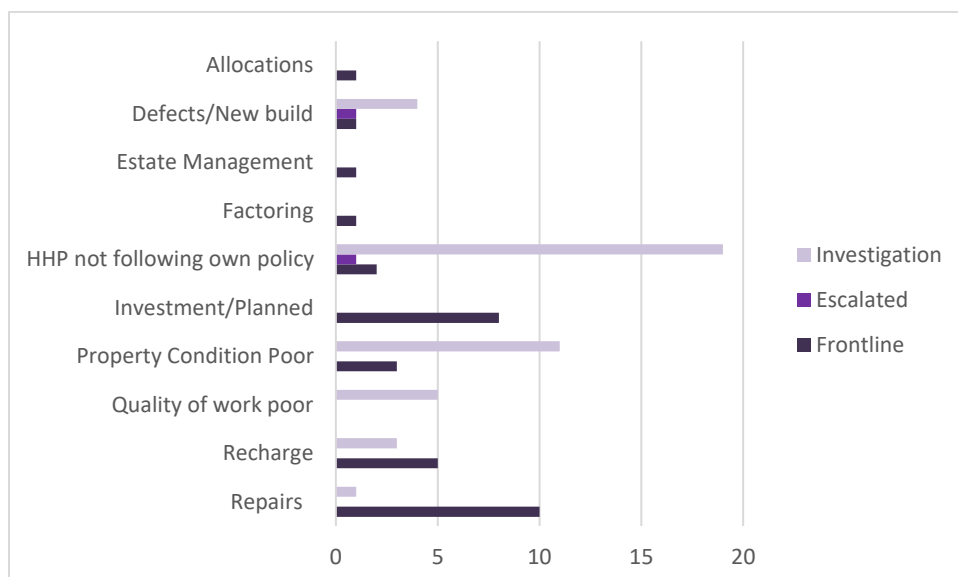
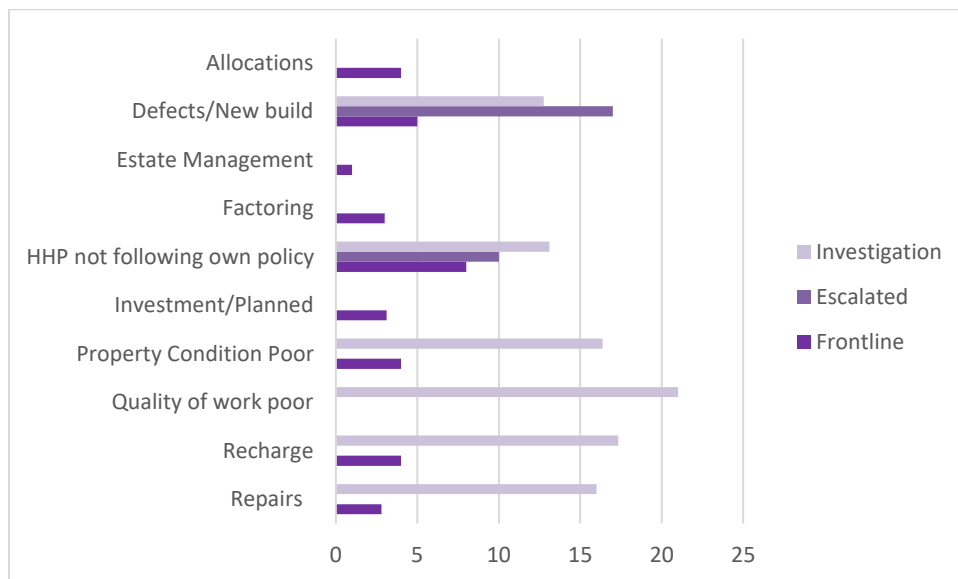


Table 6: Average number of working days to respond to tenant complaints

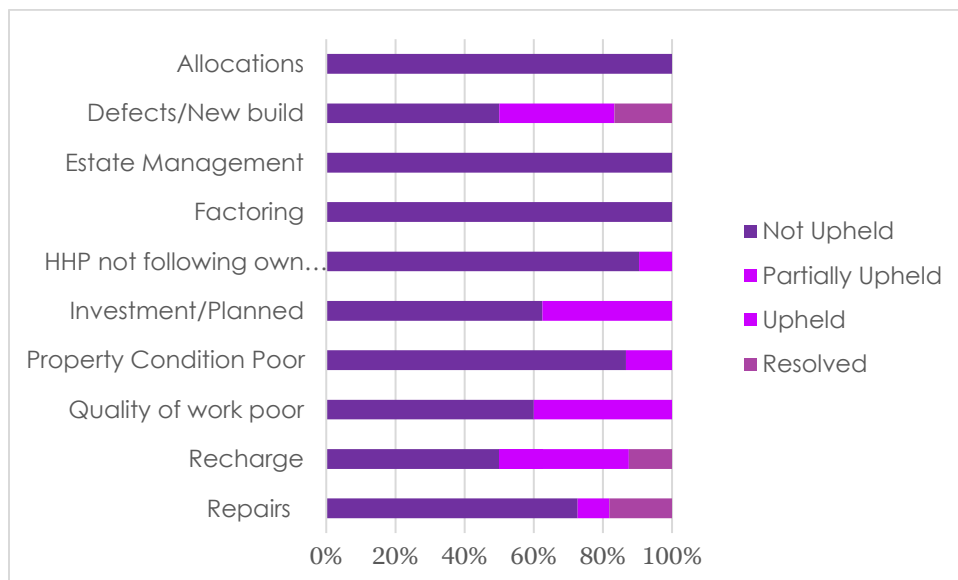
Category	Frontline	Escalated	Investigation	Overall Average
Allocations	4			4
Defects/New build	5	17	13	12
Estate Management	1			1
Factoring	3			3
HHP not following own policy	8	10	13	13
Investment/Planned	3			3
Property Condition Poor	4		16	14
Quality of work poor			21	21
Recharge	4		17	9
Repairs	3		16	4
Average	4	14	15	10



Complaint Decisions

Table 7: Outcome of complaints by complaint category

Category	Not Upheld	Partially Upheld	Upheld	Resolved	Total
Allocations	1				1
Defects/New build	3		2	1	6
Estate Management	1				1
Factoring	1				1
HHP not following own policy	19		2		21
Investment/Planned	5		3		8
Property Condition Poor	13		2		15
Quality of work poor	3		2		5
Recharge	4	1	2	1	8
Repairs	8		1	2	11
Grand Total	58	1	14	4	77



Compliments

The policy records compliments received both regarding staff and service provision.

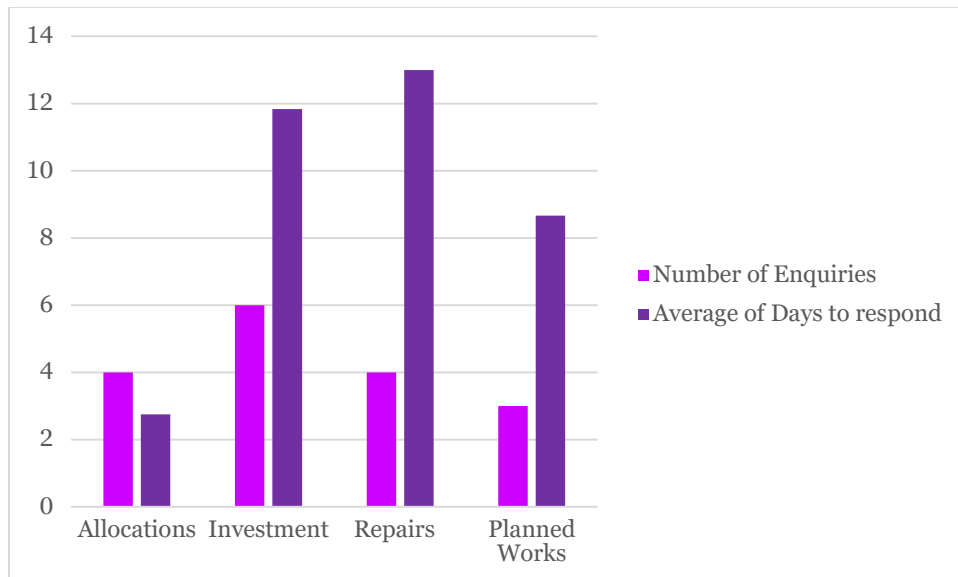
Type	Compliments
Service Provision	33
Staff Helpful	32
Total	65

MSP & MP ENQUIRIES

Period: 1 October 2022 – 31 March 2023

Enquiry Summary

Category of Enquiry	Number of Enquiries	Average days to respond
Allocations	4	2.8
Investment	6	11.8
Repairs	4	13.0
Planned works	3	8.7
Grand Total	17	9.4



LEARNING FROM COMPLAINTS

Complaint Learning from 1 July 2022

Case Study	What Happened?	What did we do?	What did we learn?	Officer Responsible	Update
1	Tenant complained that work was required to their chimney, and they had chased up multiple times. Work was not getting done.	Work carried out under Planned Maintenance.	Improved communication surrounding planned works is required in order to manage tenant expectations and to ensure that they have the most up-to-date information.	Investment Manager	Works complete. Improved communication in place.
2	HHP tenant carried out alternations to the exterior of property without HHP permission.	Discussed with tenant, complainant and planning. Right of access under review.	Close scrutiny of any alternations and consequences for the rest of the development.	Area Manager Housing	Process now in place.

Complaint Learning 1 October 2022 – 31 March 2023

Case Study	What Happened?	What did we do?	What did we learn?	Officer Responsible	Date Action Required
1	A rechargeable repair was logged by a tenant's relative. The tenant disputed the recharge and advised that they had been completely unaware of the repair being logged.	We reviewed the call log and notes. Apology to the tenant and the recharge was withdrawn.	Unable to accept non-emergency rechargeable repairs calls from anyone other than the tenant. Tenant is always advised it is a recharge before proceeding.	Customer Services Supervisor	Immediate
2	An issue with the postcode of a new build property resulted in billing issues for the new tenants.	Provided tenant with a full timeline of the meter registration process to allow them to progress with the Energy Ombudsman. Meter registration issues reviewed by Development Manager	Ensure that as part of a new build programme we check that the property registration is complete and Gazetteer correct.	Development Manager	Immediate
3	Complaints about Infrared and asking for it to be replaced with ASHP.	COW visits, full report to HHP Board.	Use repairs visits as an opportunity to review system set ups and heating programming.	Investment Manager	March 2023
4	Complaint about the cost of a recharge and staff failure to take complaint over the phone.	Following review there was not enough information to identify what had happened with complaint. Apology for the handling of the complaint but the recharge was accurate.	Staff reminded that complaints do not need to be in writing and all staff can take a complaint from a tenant.	Service Development Manager	Immediate

Case Study	What Happened?	What did we do?	What did we learn?	Officer Responsible	Date Action Required
5	Complaints about forced access letter for electrical inspection as tenants had been in communication with contractor or never received first appointment letter.	Apology for the letter. Review of process with the contractor.	Improved record keeping from contractor on reasons for non-access and more accurate information to be passed on to HHP. HHP software system to be further developed.	Investment Manager	August 2023

Anti-Social Behaviour & Estate Management 2022/23



hebridean housing
partnership

ANTI-SOCIAL BEHAVIOUR

- 1.1 The number of ASB complaints increased to 13 in 2022/23 which was one more than the previous year.
- 1.2 A breakdown by area for 2022/23 is at Page 4. Of these, 11 have been closed as no further incidents were reported. There are two cases that were still open at the end of March 2023, one of which has since been closed. The ASB complaints included issues involving loud music, noise and shouting/arguing. A breakdown of the reason for complaints is at Page 6.
- 9.3 The majority of cases were reported in April and July of 2022 with one case reported in 2023.
- 9.4 The table below gives a breakdown of reported cases of anti-social behavior for the year 2022/23 and the number of cases resolved.

ANTI-SOCIAL BEHAVIOUR CASES 2020/21	REPORTED	RESOLVED WITHIN 3 MONTHS	RESOLVED OUTWITH 3 MONTHS	STILL OPEN
LEWIS	5	1	3	1
HARRIS	1	0	1	0
UIST	5	5	0	0
BARRA	2	1	0	1
TOTAL	13	7	4	2

ESTATE INSPECTIONS

- 2.1 Page 7 provides information on estate inspections carried out by officers in 2022/23. There was a significant increase in the number of inspections carried out in 2022/23 compared to the previous year.

GARDEN ASSISTANCE SCHEME

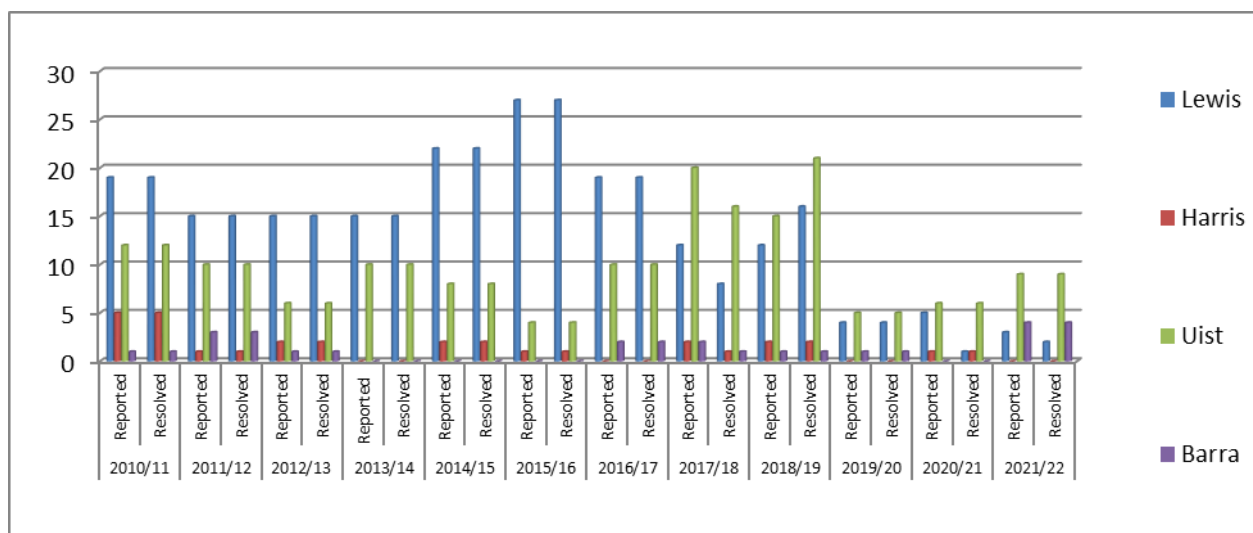
- 3.1 The Garden Assistance Scheme continued in 2022/23. It was first introduced in 2013 to assist those who could not manage their own garden areas due to age and/or disability.
- 3.2 The successful applicants from 2022 were contacted and asked to confirm if their circumstances had changed. They were also asked if they wanted to continue with the service. New applicants who qualified through the receipt of Disability Benefits were asked to provide proof of this. Applicants from the waiting list were added to the scheme to replace applicants who were no longer in receipt of the service. The table below gives a breakdown of those qualifying for the 2021 scheme.

Garden Assistance Scheme	Last Year's Applicants	New Applicants & Waiting List	Total Programmed for 2021
Lewis	58	18	54
Harris	3	1	4
Uist	10	14	12
Barra	4	0	5
Total	78	33	71

- 3.3 In Uist/Barra the work was carried out by David's Garden Machinery whilst in Lewis & Harris it was carried out by Thompson Grounds Maintenance.
- 3.4 The scheme for 2022/23 was fully subscribed and applicants who were unable to be accepted on to the scheme were placed on a waiting list. Currently there are 33 applicants on the waiting list, higher than in previous years.

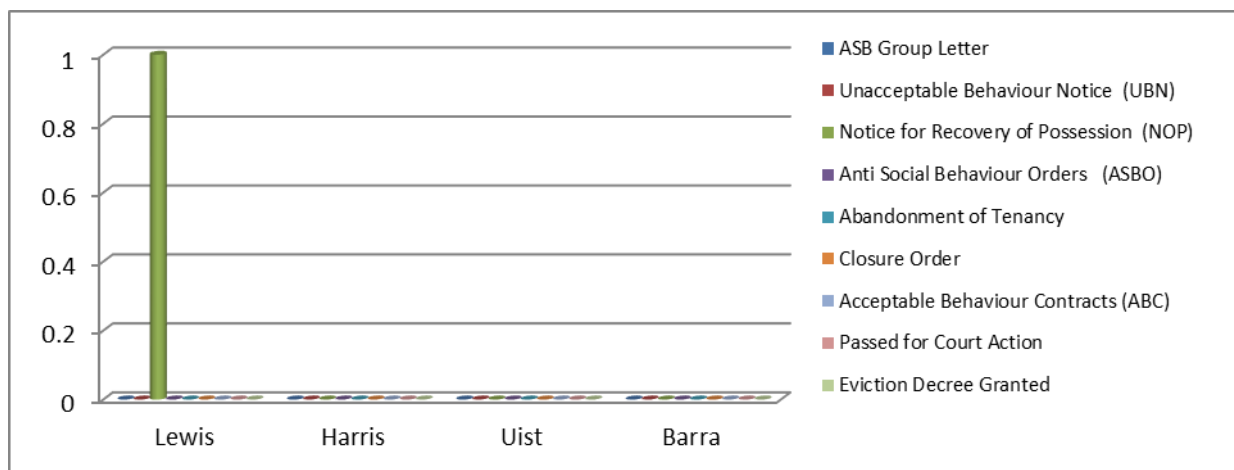
ANTI-SOCIAL BEHAVIOUR STATISTICS

Year	Cases	Lewis	Harris	Uist	Barra	Total
2010/11	Reported	19	5	12	1	37
	Resolved	19	5	12	1	37
2011/12	Reported	15	1	10	3	29
	Resolved	15	1	10	3	29
2012/13	Reported	15	2	6	1	24
	Resolved	15	2	6	1	24
2013/14	Reported	15	0	10	0	25
	Resolved	15	0	10	0	25
2014/15	Reported	22	2	8	0	32
	Resolved	22	2	8	0	32
2015/16	Reported	27	1	4	0	32
	Resolved	27	1	4	0	32
2016/17	Reported	19	0	10	2	31
	Resolved	19	0	10	2	31
2017/18	Reported	12	2	20	2	36
	Resolved	8	1	16	1	26
2018/19	Reported	12	2	15	1	30
	Resolved	16	2	21	1	40
2019/20	Reported	4	0	5	1	10
	Resolved	4	0	5	1	10
2020/21	Reported	5	1	6	0	12
	Resolved	1	1	6	0	12
2021/22	Reported	3	0	9	4	16
	Resolved	3	0	9	4	16
2022/23	Reported	5	1	5	2	13
	Resolved	4	1	5	1	11



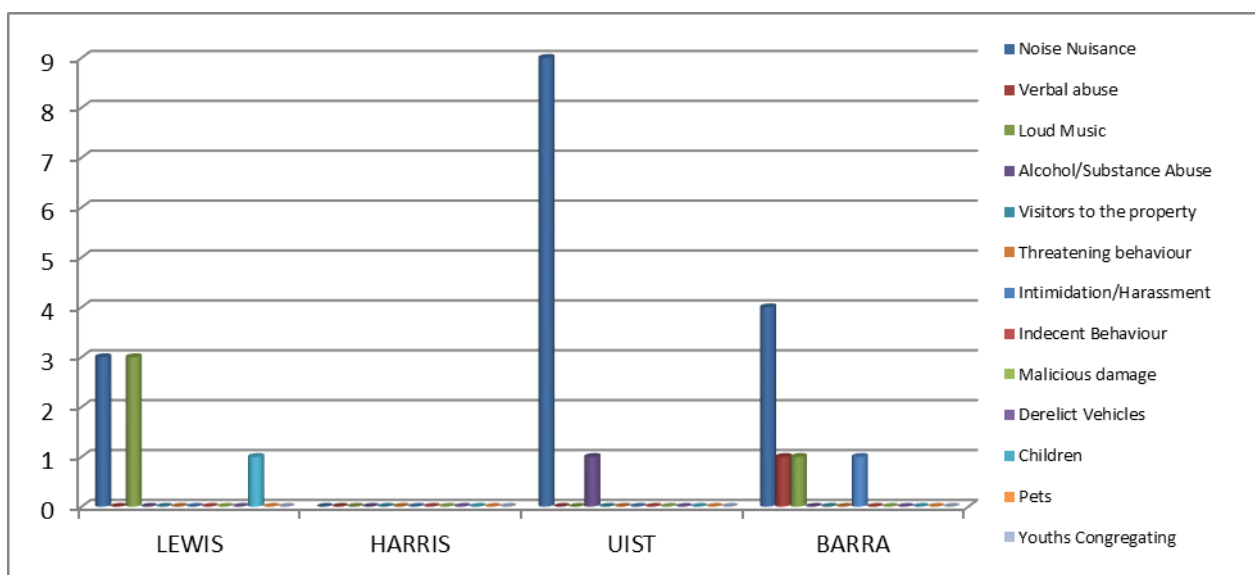
Anti-Social Behaviour & Estate Management

ENFORCEMENT ACTION	Lewis	Harris	Uist	Barra	Total
ASB Group Letter	-	-	-	-	-
Unacceptable Behaviour Notice (UBN)	-	-	-	-	-
Acceptable Behaviour Contracts (ABC)	-	-	-	-	-
Notice for Recovery of Possession (NOP)	1	-	-	-	1
Anti Social Behaviour Orders (ASBO)	-	-	-	-	-
Abandonment of Tenancy	-	-	-	-	-
Passed for Court Action	-	-	-	-	-
Eviction Decree Granted	-	-	-	-	-
Closure Order	-	-	-	-	-



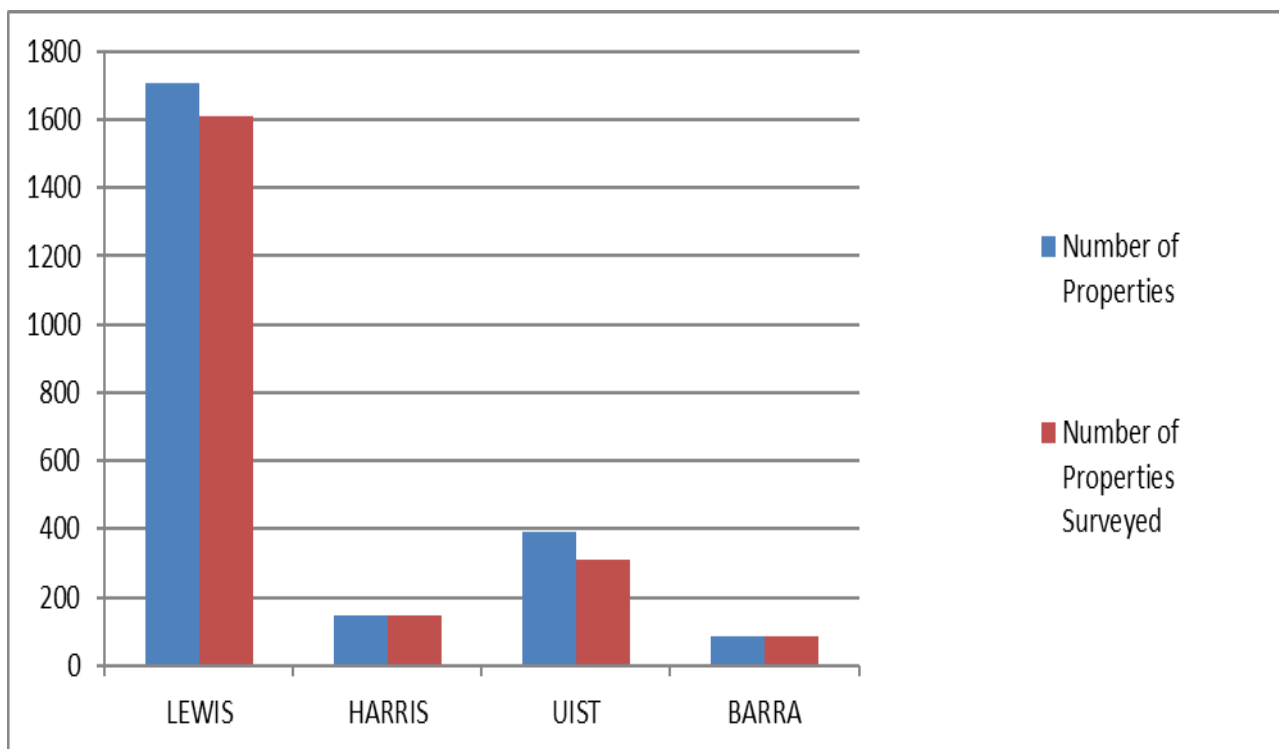
CATEGORISATION OF ANTI-SOCIAL COMPLAINTS

CASES REPORTED 2022/23	LEWIS	HARRIS	UIST	BARRA	TOTAL
Noise Nuisance	3	-	9	4	16
Verbal abuse	-	-	-	1	1
Loud Music	3	-	-	1	4
Alcohol/Substance Abuse	-	-	1	-	1
Visitors to the property	-	-	-	-	-
Threatening behaviour	-	-	-	-	-
Intimidation/Harassment	-	-	-	1	1
Indecent Behaviour	-	-	-	-	-
Malicious damage	-	-	-	-	-
Derelict Vehicles	-	-	-	-	-
Children	1	-	-	-	1
Pets	-	-	-	-	-
Youths Congregating	-	-	-	-	-
Totals	7	0	10	7	24



ESTATE MANAGEMENT STATISTICS

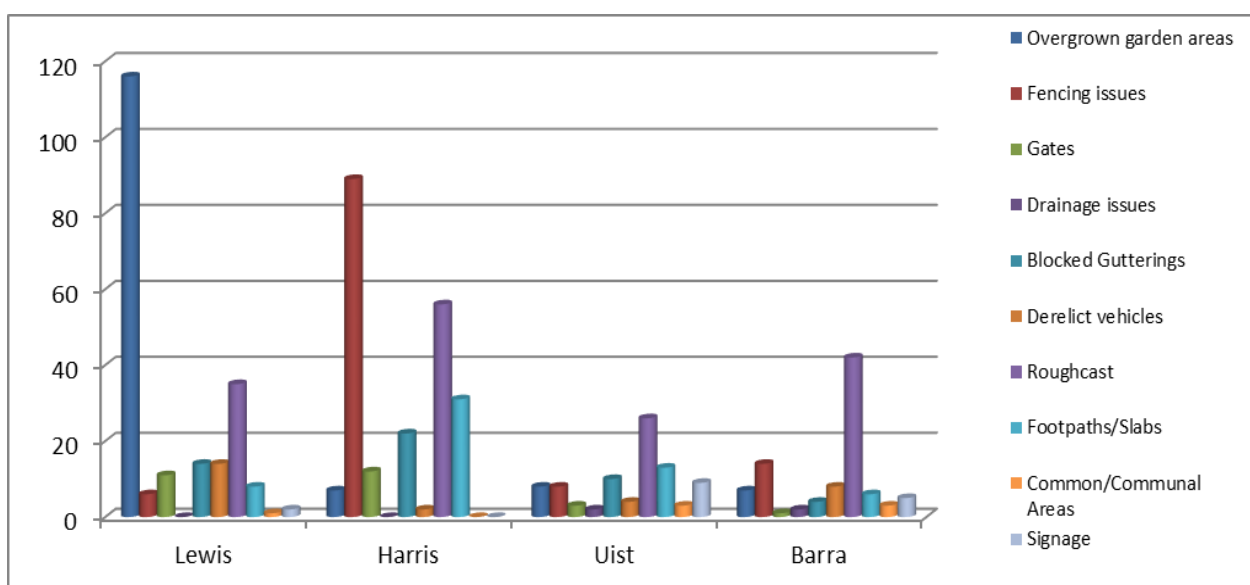
AREA	LEWIS	HARRIS	UIST	BARRA	TOTAL
Number of Estates	163	22	58	14	257
Number of Properties	1705	147	389	87	2328
Number of Properties Surveyed	1610	147	309	85	2151
Percentage Surveys Complete	94%	100%	79%	98%	92%



ESTATE INSPECTION STATISTICS

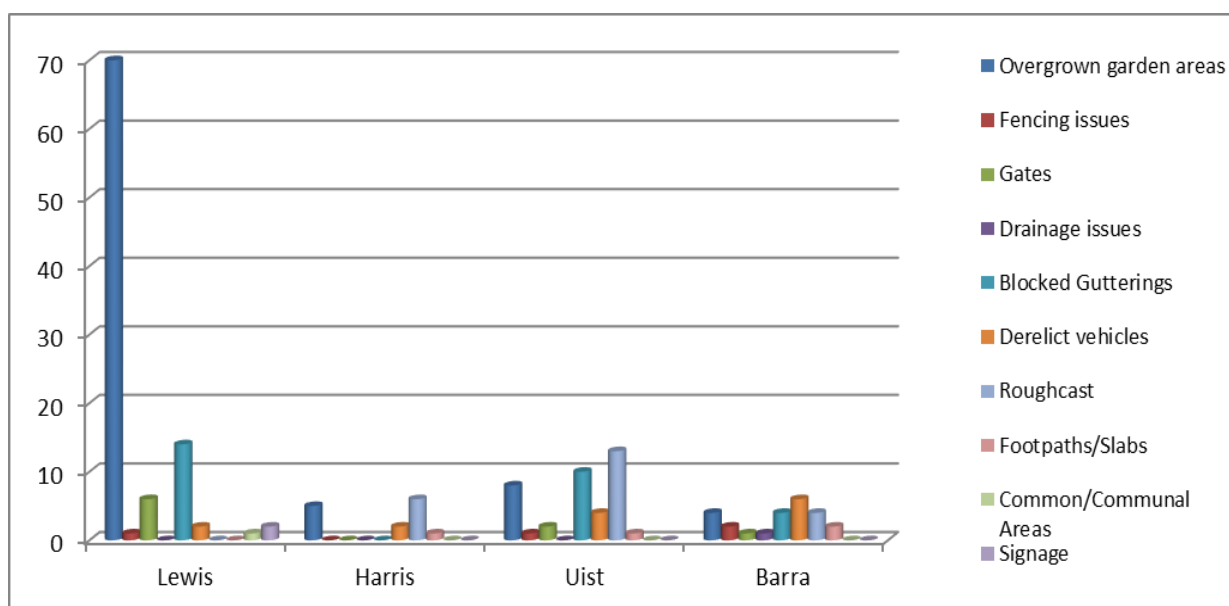
	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	116	7	8	7	138
Fencing issues	6	89	8	14	117
Gates	11	12	3	1	27
Drainage issues	-	-	2	2	4
Blocked Gutterings	14	22	10	4	50
Derelict vehicles	14	2	4	8	28
Roughcast	35	56	26	42	159
Footpaths/Slabs	8	31	13	6	58
Common/Communal Areas	1	-	3	3	7
Signage	2	-	9	5	16
Total	207	219	86	92	604

	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	7%	5%	3%	8%	6%
Fencing issues	0%	61%	3%	16%	5%
Gates	1%	8%	1%	1%	1%
Drainage issues	-	-	1%	2%	0%
Blocked Gutterings	1%	15%	3%	5%	2%
Derelict vehicles	1%	1%	1%	9%	1%
Roughcast	2%	38%	8%	49%	7%
Footpaths/Slabs	0%	21%	4%	7%	3%
Common/Communal Areas	0%	0%	1%	4%	0%
Signage	0%	0%	3%	6%	1%

**ESTATE INSPECTION RESOLVED ISSUES**

RESOLVED	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	70	5	8	4	87
Fencing issues	1	-	1	2	4
Gates	6	-	2	1	9
Drainage issues	-	-	-	1	1
Blocked Gutterings	14	-	10	4	28
Derelict vehicles	2	2	4	6	14
Roughcast	-	6	13	4	23
Footpaths/Slabs	-	1	1	2	4
Common/Communal Areas	1	-	-	-	1
Signage	2	-	-	-	2
Total	96	14	39	24	173

% RESOLVED	Lewis	Harris	Uist	Barra	Total
Overgrown garden areas	60%	71%	100%	57%	63%
Fencing issues	17%	-	13%	14%	3%
Gates	55%	-	67%	100%	33%
Drainage issues	-	-	-	50%	25%
Blocked Gutterings	100%	-	100%	100%	56%
Derelict vehicles	14%	100%	100%	75%	50%
Roughcast	-	11%	50%	10%	14%
Footpaths/Slabs	-	3%	8%	33%	7%
Common/Communal Areas	100%	-	-	-	14%
Signage	100%	-	-	-	13%



Service Review

Period **5 months from 1st October 2023 to 28th February 2023 Year 3**

Assessme **A MacNeil**

Service Manager

The Service Review is carried out across

- Service Information – those are minimum standards of service delivery and reporting specified in the contract
 - Key Performance Indicators (KPI) set out performance targets.
- The main scoring has been carried out by the Asset and Contracts Manager who is the Service Manager as defined in the contract. The Service Manager is responsible for the contract management and delivery

The methodology is set out in the contract. Each heading is split into items for assessment according to the Contract Service Information, KPI's are embedded into the table.

The Contract Service Information will inform any decision on whether to award a contract extension beyond the initial 5-year term. The contract entered year 3 of the initial 5-year term on 1 April 2022.

- i) Contract performance will be measured against the following five main headings, including respective KPI's:
 - Quality
 - Cost
 - Time
 - Health and Safety
 - Continuous Improvement
 - ii) Contract performance will be scored using the following bands:
 - iii) If two consecutive reviews produce unsatisfactory results then this could result in the Employer terminating the contract ref clause 91.2 i.e. Contractor has "Substantially failed to Provide the Service"
 - iv) Contract performance will also form the basis of evaluating whether the two year contract extensions will be invoked.
- requirement/ measurement)

Note: the reporting is for the period 1st October 2022 to 28th of February 2023. Due to the development of Cx reporting, data for March 2023 is unavailable.

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/gain payments) *	Measurable targets	Comments	Performance
Quality	1.1	Attendance at meetings	•			Regular monthly meetings well attended during the period. Contractor has good performance with attending Team meetings inclusive of officers in Benbecula. No Risk Reduction meetings were required during the period	●
	1.2	Contractors' reports - accurate & issued on time	•			Paymechs and Performance reports submitted within agreed timescale. Improved approach by Contractor to be developed to provide more data on service reports to assist with ascertaining causes of repairs and repairs trends	●
						Contractor has good performance in responding to Client requests to create bespoke reports. Monthly reporting includes Recharges Target v Actual costs, Community Benefit, Material Price trackers. Average Cost analysis to continue in next period. QS team meetings calendered through year to monitor cost related matters, early indicators and trends to better enable forecasting and reporting.	●
	1.3	Repair trends reports	•		More information requested for contractor service reports to identify possible factors relating to repairs and maintenance	Development ongoing with identifying trends to track in current market. Repairs continue to be analysed by various categories and types of works to establish if causes are preventable or if patterns are evident. Contractor instructed to monitor average cost per repair to monitor issues as market remains under pressure with inflation and energy costs contributing to supply chain costs. Push back required on suppliers to explain reasons and drivers for price increases and trends.	●
	1.4	Risk Reporting	•		Early warning notices from both parties used to flag issues early in the swervice delivery to mitigate risks and harm.	Contractor continues to submit Risk related Early warning notices, where required, in regard to issues material to the service and contract. Contract risk register in place and in operation - monitored and reviewed against HHP Risk Register. The contractor also monitors and reports on out of hours gas related incidents to ensure systems remain safe at all times. Safeguarding measures in place for enginners to record and report concerns/ vulnerabilities resultant from Cost of Living pressures. HHP officers have also undertaken Child Protection refresher training.	●
	1.5	How to improve tenant satisfaction	•			Tenant satisfaction good and exceeding target. Barra surveys continuing for sub-contracted services. Overall performance for period is 100.00% satisfied but limited number of surveys toward end of period which will need increased to offer larger sample.	●
	1.6	Right First Time - Availability of materials, on vans & held stock		•	KPI Target 90%, period average 93.92%	Main stock held to turn repairs around more quickly, the parts are held at contractor's cost and include heating parts. Right first time reviewed monthly to review common themes indicating stock control issues/ ordering periods. Early Warning process also in place but not required to date. Performance is generally good and exceeding target	●
	1.7	Recalls		•	KPI Target 3%, annual average 7.6%	Contractor Recalls require action to bring in closer alignment with target. Highlighted during a service review with the Customer Relations Manager. Also discussed at monthly meetings. Monthly meetings with Contractor to review Recalls and Right First Time currently in hiatus whilst Cx develops reporting, this affects the period post February.	●

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/ gain payments) *	Measurable targets	Comments	Performance
Cost	2.1	Financial Reports	•		100% of all invoices accurate & submitted on time	Paymechs issued on required date. Paymech information on Trades requires regular QA checks from Contractor to identify analysis of what repairs and where repairs occur. Paymech QA checks undertaken on each paymech to enable financial monitoring and identifying trends used on monitoring daily repairs report and following up on service reports	●
	2.2	• Invoicing		•		Performance very good, invoices received timeously including those from sub contractors	●
	2.3	• Increase value for money	•			Paymech being used to evaluate value for money. QA checks carried out on samples of service reports. Various types of checks undertaken on repairs. Average costs not showing signs of reduction due to high inflation pressures. FES establishing more collaboration with suppliers to increase local supply base. Cost continues to be the main pressure on the service.	●
	2.4	• [detailing Total of Prices, Actual Costs, anticipated Contractor's share etc.]	•			Paymech to be used as more of a pro active tool interpreting contributing factors to costs and establishing patterns across all trades, supply chain and housing stock/ age. Contractor has worked with HHP to limit costs impact of inflation by freezing some rates or reducing full impact of inflation adjustments to the contracted rates. Pain/ gain has also been reduced by the contractor in this period.	●
Time	3.1	• Reactive maintenance completion times (days)		•	KPI Target 4 days, period average 3.97 days	This period of 5 months averaged 3.97, ahead of 4 day target. Performance has remained relatively consistent, below the target. In the same period Emergency repairs performance was 2.35 hrs v target 3.5 hrs	●
	3.2	• Achieving Void completion times		•	KPI Target 95% completion on time, annual average 100%	Performance has been good. Challenges with maintaining times combined with large clear outs have been managed within the period and performance remaining above target. Rechargeable repairs measures continue to work. Void turnaround times have been maintained in the period with Void loss within target.	●
	3.3	• Maintaining tenant appointments		•	KPI Target 99%, annual average 95.02%	Appointment system in place for routine repairs. Below target level of performance	●
	3.4	• Completion of Planned maintenance works	•			General planned maintenance completed for end of year. Contractor still needs to improve on cashflow reporting and forecasts to period end and end of financial year throughout the year. QS meetings in place to explore measures.	●
Health and Safety	4.1	Did work carried out on the contract fall within the industry standard measures related to Accident Frequency Rate		•	KPI Target, reportable incidents per month <1, annual average 0 incidents	No reported incidents, tool boxes talks regularly carried out	●
	4.2	• Did the Accident Frequency Rate improve from the last review		•		Constant good performance during year	●

Criteria	Item ref	Item description	Contract Service Information (minimum service requirements) *	KPI (measurable performance tied into retention and pain/gain payments) *	Measurable targets	Comments	Performance
	4.3	● Health and Safety - covering contractor's operatives		●		No incidents, regularly reviewed, measure will follow good practice, HSE and Government guidance. A rigorous CORGI gas safe audit was carried out in August 2022 with a final report presented to Board in November 2022. The report concluded they were satisfied that there were no major issues affecting performance of the gas servicing from FES. An ACS Landlord was also undertaken in October 2022 which concluded that overall, it was a good audit with only small points for improvement.	●
	4.4	● Health and Safety - Incidents within or around tenant premises		●		No incidents, regularly reviewed, measure will follow good practice, HSE and Government guidance to protect both contractor's operatives, HHP Officers and tenants.	●
Continuous Improvement	5.1	● Ongoing [over contract duration] Contractor's involvement and commitment to a continuous improvement culture	●			Community benefit initiatives continued through the period. These included initiatives and voluntary works for apprenticeship appointments, food parcels delivery, warm pack deliveries, business apprenticeship placements, attending careers events and tenants events.	●
						IT and gateway improvements in regard to data reporting, diagnosis and recommendations. Development of options for e-invoicing continuing with Civica Cx development	
	5.2	● Reduction in duration for completion of Voids works	●		measurable against item 3.2	Turnaround times have been minimised whilst managing large clear outs. Collaboration with HHP to reduce turnaround times.	●
	5.3	● Reduction in Reactive maintenance - Reactive trends	●		measurable against item 1.3	Continued review of common repairs/ trades, recurring repairs, reviewing specifications and problem components or less durable components, more collaborative facilities management approach to repairs and planned maintenance.	●
	5.4	Improved tenant satisfaction	●	●	KPI Target 95%, annual average 100%	Tenant satisfaction reviews measure appointment offered/ Contractor on Time. ID shown/ Helpful and Polite/ Satisfaction/ Cleaning done - core surveys will continue on sample but other initiatives will be explored to improve tenant satisfaction. QA checks also undertaken post repairs to repairs in Barra to ensure sub contractor provides same level of service, standards and satisfaction - survey responses have been good.	●

Overall Performance

Performance is assessed as **GOOD**. The operational elements of delivering the works on site have progressed well and Completion, Voids and Right First Time performing well.

Main pressure continues to be with costs with inflation remaining high and energy costs still contributing to manufacturing. These continue to be closely monitored via daily repairs, recommendations and paymech.

DEVELOPMENT MONITORING REPORT

Board 28 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 To provide a progress update on our 5 Year Development Plan (2022-27).

Summary

- 2.1 A summary of house completions this financial year can be found at Appendix 1 along with photographs of some sites under construction.
- 2.2 Appendix 2 provides details of progress on the Development Plan for 2022 – 2027 with 64% of planned houses completed (34%) or on site (30%).
- 2.3 The tender negotiations for an additional 4 units at Low Flyer have not been successful. The tender report advises that the price is significantly higher than would be expected and a Scottish Government review has concluded similarly. It is proposed that the project be postponed and that it be re-tendered at a later stage. Details can be found in Appendix 4.
- 2.4 CNES has offered the Carloway Care Unit as a potential acquisition and refurbishment opportunity similar to what we have done with other care units. It is proposed that this be pursued further to establish costs and viability.
- 2.5 Scott Road has reached a point where we can seek full planning permission. However, land negotiations have not been finalised and one crofting shareholder has objected which would bring a level of risk to the project.
- 2.6 A decision is expected on 20 June 2023 on the Leverburgh planning application. SEPA have withdrawn their objection based on the peat being managed on or adjacent to the site. We are discussing this with the owner of the adjacent site.
- 2.7 Construction at Blackwater and Lochmaddy are progressing well and the site at Barra is due for completion on the 20 June 2023.

Competence

- 3.1 The financial, legal and other constraints arising from the recommendations in this report are detailed at paragraph 5.1 - 8.5.

Recommendations

4.1 It is recommended that the Board:

- a) Agree to delay 4 units at the Low Flyer and review on a six monthly basis;
- b) approve the progression of Scott Road to full planning permission noting the risk involved;
- c) approve the full review of Carloway Care Unit being refurbished; and
- d) note the Development Plan update.

APPENDIX 1: Completions 2022/23

APPENDIX 2: New Build Updates

APPENDIX 3: Future Plans

APPENDIX 4: Low Flyer Phase 2 – Tender (Private & Confidential)

Background Papers: None

Writer of Report: Sawan Morrison

Tel: 0300 123 0773

Competence

Financial

- 5.1 The budget for development in 2023/24 is £8.2M expenditure, £6.4M Scottish Government (SG) Grant resulting in a private finance requirement of £1.8M.
- 5.2 Details of the projected out-turn for the year are set out in the Management Report on this agenda.

Legal

- 6.1 There are no legal considerations in this report.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
- 7.2 This report provides ongoing assurance of evidence RS2.2, RS4.3 and RS7.7 in relation to our Annual Assurance Statement.

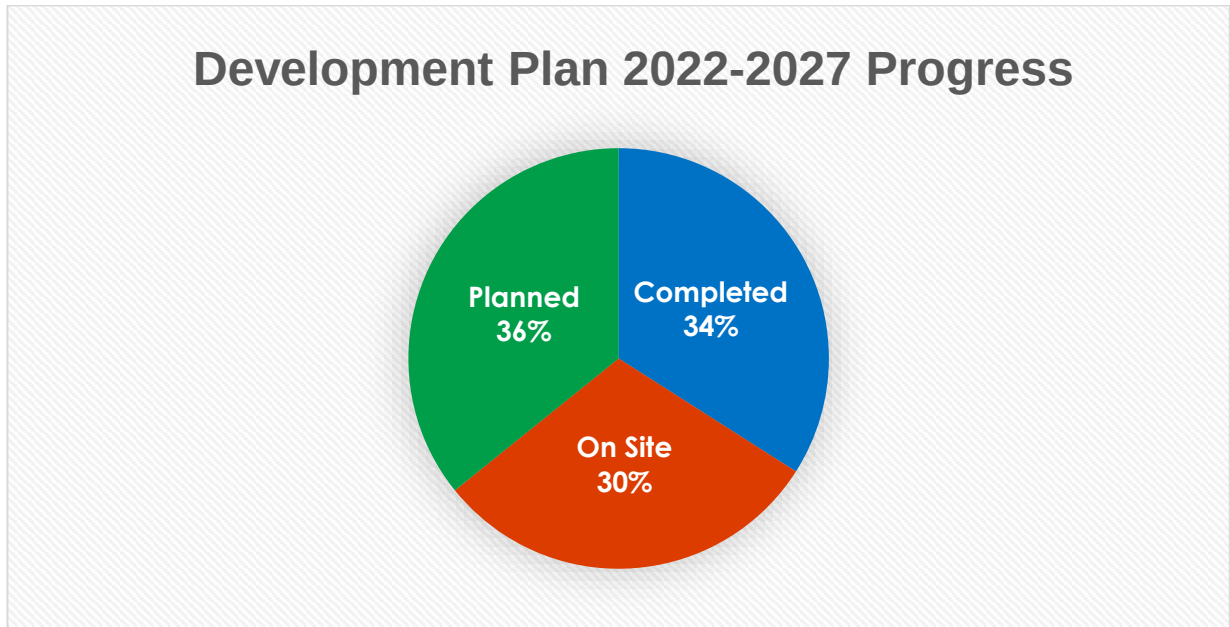
Risk

- 8.1 Development is inherently risky. Feasibility work to ascertain the suitability and capacity of potential sites for development helps to reduce risk. As part of the feasibility process, we will carry out a local housing needs demand survey if our waiting list indicates that there is limited demand for housing in the area being considered.
- 8.2 Our Housing Needs and Demands Analysis (HNDA) and our Housing Waiting List indicates weak demand in all areas and particularly in the most rural locations. We continue to monitor demand on an ongoing basis and there are indications of increases in demand over recent months. The HNDA report suggests that based on current population trends, our Development Plan will in broad terms meet the current identified need for social rented housing by 2026.
- 8.3 There is a risk of houses not being sold through the New Supply Shared Equity scheme as demand can be inconsistent. Changing demographics is included in our Risk Register with a residual risk rating of 20 which is considered high.
- 8.4 The Risk Register also details relevant risks which can impact on the delivery of the Development Plan including:
 - effect of an increased development programme with a residual risk of 6 (low);
 - risk of contractor failure with a residual risk rating of 12 (medium);
 - supply chain and labour market challenges with a residual risk rating of 6 (low);
 - rent affordability with a residual risk rating of 20 (high); and
 - reliability of transport links with a residual risk rating of 10 (medium); and
 - risk of serious breach of Health & Safety with a residual risk rating of 4 (low).
- 8.5 The risks identified in detail in this report include:
 - Commissioning further work at Scott road without the necessary agreements and servitudes being finalised with the land owners. This is mitigated by us having broad agreements in place but the time taken to reach these agreements have affected progress. Should formal agreements not be achieved then the costs incurred to progress a planning application would be abortive.
 - The construction cost of building in rural areas (e.g. Low flyer phase 2), with a small pool of contractors (only 1 tender return) and high costs to build stemming from the cost of living crisis is a risk to HHP's ability to deliver a cost effective new build programme.

Report Details

Development Plan 2022-27

- 9.1 Good progress is being made on the delivery of the Development Plan approved in March 2023 with 34% of the planned homes completed and a further 30% currently on site. Full details of all the developments can be found in Appendix 2, Table 1.2.



Development 2023/24

- 10.1 The main issues to note for developments on site or identified for 2023/24 are the:
- **Lochmaddy** land transaction has concluded and the contractor is on site with completion expected in March 2024.
 - **Barra** development is due for handover on 20 June 2023 which will see 6 homes available for social rent. The slippage has been due to a combination of factors including delays on material delivery (travel disruption) and the supply of electricity meters and most recently disruptions to the ferry timetable.
 - **Leverburgh** – The planning application was lodged and is now due to go to planning board due to 7 public representations being made. SEPA also raised a standing objection which has now been resolved and the objection removed. The planning board is due to meet on the 20 June 2023. The landowner has raised some concerns about the area required for the peat reclamation which we are looking to resolve.
 - **Low Flyer Ph 2** – following the tender for the additional 4 homes at this site, we received one tender return. Following negotiations with both contractor and Scottish Government, we have landed at a shortfall of £20K per unit. Therefore, we recommend that we re-tender at a later date when we would hope to see better costings.

Future Plans

- 11.1 Appendix 3 summarises work being done on projects for future years and includes the levels of demand in the area. The following updates are to be noted:
- **Scott Road** – The water pressure study came back positive, and SSE has also confirmed that the HV cable on the site can be moved although this will be a costly exercise. We are proactively following up our solicitors to formalise agreements with the North Harris Trust and Atlantic Land and Property Limited, however, progress has been slow. The next stage is to take this site to full planning

permission to allow us to decroft the land. It will be a difficult site with the level of rock and peat and will require very detailed engineering work to ensure the planning application can progress. One of the risks we are identifying is a cost risk to HHP in engaging in further work without the agreements in place. This will be in addition to the £28K in work we have collectively committed and paid for feasibility studies and site investigations.

Consultant	Description	Cost
TIG	Preparation of Planning application for 28 units	£21,600
CNES	Planning Fee	£14,100
	Total Cost to Planning	£35,700

- **Grimsay**, Isle of North Uist – the full feasibility study has now been received. We are awaiting confirmation of the land valuation before progressing with conversation with the land owner. The ground conditions of the southern area of the site is more favourable to development and planning have requested a linear development which would likely allow a maximum capacity of 8 units.
- Sites at **Berner**, Isle of Lewis and **Gravir**, South Lochs are undergoing full feasibility studies. We are awaiting updated costings and confirmation of land tenure. Neither site has significant level of waiting list demand. However, the HNDA indicated a small level of need in addition to that indicated by waiting lists. It would be prudent to refresh the community consultation if the feasibility study outcome is positive.

Strategic Housing Investment Plan (SHIP)

- 11.2 The Strategic Housing Investment Plan (SHIP) has been updated and is awaiting feedback from Scottish Government. CNES are also working through their Housing Needs Demand Assessment which will inform the new Local Housing Strategy. This SHIP will span financial years 2023/24 to 2027/28. Our Development Programme commitments support the delivery of the SHIP up to 2025/26 as confirmed to the Comhairle in June 2021 when we put additional borrowing to enable this.

New Supply Shared Equity (NSSE)

- 12.1 The 2 x 2 bed homes available for sale through shared equity in the final phase has now been sold.
- 12.2 This brings the total to 16 homes sold through the shared equity scheme at Sinclair Avenue.

Care Unit Refurbishment

- 13.1 We have been approached by CNES to refurbish the Carloway Care Unit similar to what has been done previously with Crowlsta, Back and An Glib care units.
- 13.2 Bringing care units back into use for housing has been positively received by tenants and the wider community. We will do an analysis on costs and effectiveness before proceeding.
- 13.3 There is currently 1 on the transfer list and 7 on the waiting list for this area so this would be a positive cost-effective addition to our stock.

Scheme	Area	Type	Units
11 Eireastadh, Crowlista	Rural Lewis	Rent	1
Bremner Court	Stornoway	HWEC	50
Total Handover to June 2023			51



Bremner Court – 50 HWEC flats (MCLH)

Blackwater – Phase 1 (CalMax)



Barra (CalMax)



Lochmaddy (Macinnes Bros)



Table 1.1 Development Performance – 5 Year Development Plan 2022-2027 (Approved March 2023)

	RENT	NSSE	HWEC	TOTAL	% of Plan	Comments
Completed 2022/23	44	2	-	46	16%	-
Completed 2023/24	1	-	50	51	18%	50 HWEC and 1 care unit conversion completed.
On Site	86	-	-	86	30%	-
Planned for 2022-26	102	-	-	102	36%	-
	233	2	50	285		

Table 1.2 5 Year Development Plan Summary (Approved March 2023)

Type	Area	Location	Total Units	Stage	2022/23	2023/24	2024/25	2025/26	2026/27
RENT	Stornoway	Goathill RENT	22	Completed 22/23	22				
NSSE	Stornoway	Goathill NSSE	2	Completed 22/23	2				
RENT	Uist	Balivanich	10	Completed 22/23	10				
RENT	Rural Lewis	Barvas (Developer led)	8	Completed 22/23	8				
RENT	Rural Lewis	Uig - Crowlista	4	Completed 22/23	4				
RENT	Rural Lewis	Uig - Crowlista Care Unit	1	Completed 23/24		1			
HWEC	Stornoway	Goathill HWEC	50	Completed 23/24		50			
RENT	Barra	Barra/Vatersay	6	On Site		6			
RENT	Stornoway	Blackwater	72	On Site		22	25	25	
RENT	Uist	Lochmaddy Former Hospital	8	On Site		8			
RENT	Uist	South Harris - Leverburgh	6	Planing Permission		6			
RENT	Uist	Benbecula - Low Flyer	4	Tender Negotiation		4			
RENT	Rural Lewis	Rural Lewis- South Lochs	4	Feasibility Study			4		
RENT	Rural Lewis	Rural Lewis- Bernera	4	Awaiting feasibility costings			4		
RENT	Harris	Scott Road, Harris	24	Under negotiation			12	12	
RENT	Uist	South Uist	6	Land to be determined			6		
RENT	Uist	North Uist	4	Site identified - in crofting			4		
RENT	Rural Lewis	Cleat Road- Phase 2	6	Land available			6		
RENT	Rural Lewis	Point (Knock)	4	Land to progressed to feasibility				4	
RENT	Uist	North Uist	6	Feasibility Study				6	
RENT	Stornoway	Stornoway Regeneration	14	Land to be determined					14
RENT	Rural Lewis	Barra HWEC	10	Initial Assessment					10
RENT	Uist	Balivanich	4	Land to be determined					4
RENT	Rural Lewis	Rural Lewis	6	Land to be determined					6
		Total Units	285		46	97	61	47	34

New Build Updates

APPENDIX 2

Table 2.1 Current Development Projects 2023/24

Scheme	Area	Units	Stage	Expected Handover	Comments by exception
Goathill HWEC	Stornoway	50	Completed	May -23	This has now been handed over and we are working with CNES and IJB for occupation.
Crowlista, Uig	Rural Lewis	5	Completed	Apr-23	All 5 homes have now been completed.
Barra – Cleit Road	Barra	6	On Site	Jun-23	Handover to be 20 June 2023 with travel disruptions the final hurdle that has been overcome.
Blackwater	Stornoway	72	On Site	Oct-25	Contractor currently 6 weeks behind programme. This will be a phased handover with the first phase due to be handed over in March 2024.
Lochmaddy	Uist	8	On Site	Mar-24	Currently on programme.
South Harris - Leverburgh	Harris	6	Planning Permission	TBC	Planning application submitted but needed to go to planning board due to more than 6 public representations.
Benbecula – Low Flyer	Uist	4	Tender	TBC	Tender negotiations did not produce significant savings.
South Lochs	Rural Lewis	4	Feasibility	TBC	Awaiting finalised feasibility study.
Bernera	Rural Lewis	4	Feasibility	TBC	Awaiting final costing from feasibility study and clarity on whether site is outwith crofting.

Future Plans

APPENDIX 3

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
2024/25	Scott Rd	Harris	12	6/29	Land transaction negotiation ongoing. Following a successful water pressure study, we also have an outcome from SSE for moving the HV cable. The next step would be to progress this project to a full planning application, However without formal agreements in place with landowners, this will be a risk to HHP.
	Rural Lewis- South Lochs	Rural Lewis	4	1/4	We are awaiting finalised feasibility study.
	Rural Lewis – Bernera	Rural Lewis	4	2/10	A site at Bernera is awaiting confirmation on whether it is in crofting and awaiting finalised costings.
	South Uist	Uist	6	4/15	Site to be identified. 7 sites had an initial review with 1 progressing to a desktop feasibility study but was discounted due to land condition. CNES continue its search for suitable land for development.
	North Uist	Uist	4	4/17	Full feasibility conducted for 1 site at Grimsay which is being assessed internally. Potential capacity of 14 units.
	Cleat Road- Phase 2	Barra	6	7/38	Existing land available for a potential second stage of the current development.
2025/26	Scott Rd	Harris	12	6/29	As per above.
	Point	Stornoway Market Area	4	2/12	Site to be identified with one potential site that has been positively reviewed by planning.
	North Uist	Uist	6	4/17	Full feasibility conducted for 1 site at Grimsay and is being assessed internally. Potential capacity of 14 units.
2026/27	Stornoway Regeneration	Stornoway	14	97/251	Site to be determined.

Future Plans

APPENDIX 3

YEAR	Scheme	Area	Units	Demand (Transfer/Waiting)*	Comments by exception
	Barra HWECC	Barra HWECC	10	TBC	Board decision taken to support the project subject to confirmation of funding from the various departments of Scottish Government.
	Balivanich	Uist	4	12/33	This is an area identified in the SHIP. Land to be identified.
	Rural Lewis	Rural Lewis	6	21/105	This figure is for all of Rural Lewis and does not include Stornoway.

*demand figures as at 24 February 2023

BOARD MEMBER APPOINTMENT

Board 23 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 The purpose of this report is to consider a re-appointment to HHP's Board.

Summary

- 2.1 Ms Helen Mackenzie was appointed as a Board Member for a period of 2 years from 23 June 2021.
- 2.2 Ms Helen Mackenzie has indicated that she is interested in continuing her appointment to the Board.
- 2.3 An active and engaged member of the Board since her appointment in 2021, Ms Mackenzie is Vice Chair of both the Audit & Risk Committee and Development & Finance Committee.
- 2.4 Ms Mackenzie has worked in both public and private sectors for a number of years and has considerable knowledge to draw upon in the fields of finance, procurement and development.
- 2.5 The appointment would be in accordance with HHP's Rules detailed at paragraph 6.2 above, and for a period of three years.

Competence

- 3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board approve Ms Helen Mackenzie's appointment to HHP's Board for a further period of three years as a Board Appointed Member with effect from 28 June 2023.**

Background Papers: Regulatory Standards of Governance and Financial Management
HHP Rules

Writer of Report: Iona France

Competence

Financial

- 5.1 There are no financial implications arising from the recommendations to this report being implemented.

Legal

- 6.1 In respect of appointing Board Members, Rule 37.2.4 states that we may have two Appointed Board Member, and Rule 40.9 goes on to state that:

The Board will be entitled at any time to appoint up to two Appointed Board Members to the Board, except if Rule 40.3 applies. A person so appointed by the Board must be a Member who the Board considers will enhance the skills, knowledge, diversity and/or objectivity of the Board and its decision-making. The manner of identifying, selecting, and appointing an Appointed Board Member shall be determined by the Board from time to time. When appointing an Appointed Board Member the Board must determine the proposed duration of the appointment, which must be no longer than three years (but without prejudice to a retiring Appointed Board Member being eligible to be re-appointed by the Board)."

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.
- 7.2 This report provides ongoing evidence/assurance of evidence EH1 and RS6 in relation to our Annual Assurance Statement.

Risk

- 8.1 Governance of the Partnership is critical to its long-term viability. Carrying out skills assessments helps to ensure that the Board has the skills, knowledge and diversity it needs to provide capable leadership, control and constructive challenge to achieve the RSL's purpose, and helps to mitigate the risk of not delivering good tenant outcomes or manage the Partnership's affairs.
- 8.2 Recruitment of Governing Body Members is highlighted on our Risk Register with a residual risk rating of 6 which is considered low.

ADOPTION LEAVE POLICY

Board 28 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 To review our Adoption Leave Policy.

Summary

- 2.1 The Adoption Leave Policy is reviewed on a three yearly basis.
- 2.2 Following the review, there have only been formatting changes to the Policy and no legislative changes.
- 2.3 As there have been no material changes to the Policy there is no requirement for consultation.

Competence

- 3.1 There are no financial, legal or other constraints arising from the recommendation in this report.

Recommendations

- 4.1 **It is recommended that the Board approve the Adoption Leave Policy at Appendix 1.**

APPENDIX 1: Adoption Leave Policy

Background Papers: None

Writer of Report: Norma M Robb

Tel: 0300 123 0773

ADOPTION LEAVE POLICY

APPROVED BY HHP BOARD:
EFFECTIVE DATE:



hebridean housing
partnership

TABLE OF CONTENTS

_Toc118879367	INTRODUCTION	2
	WHAT IS ADOPTION LEAVE (SAL)	2
	RIGHTS PRIOR TO SAL.....	2
	ELIGIBILITY FOR SAL	3
	NOTICE REQUIREMENTS	3
	HOW MUCH LEAVE MAY BE TAKEN.....	3
	SHARED PARENTAL LEAVE	4
	PAY AND BENEFITS DURING SAL.....	5
	TERMS AND CONDITIONS DURING SAL.....	5
	RETURNING TO WORK	6
	WORKING DURING ADOPTION LEAVE.....	7
	CONTACT DURING ADOPTION LEAVE	7
	MONITORING AND REVIEW OF POLICY	7
	INTERPRETATIONS & ABBREVIATIONS.....	8

INTRODUCTION

- 1.1 This policy sets out the adoption leave and pay entitlements and the procedures for employees to request adoption leave. It is based on the statutory minimum requirements for adoption leave.
- 1.2 The entitlement to Statutory Adoption Leave (SAL) applies to any employee newly adopting a child up to the age of 18. The entitlement to SAL applies irrespective of whether the employee is entitled to Statutory Adoption Pay (SAP).
- 1.3 Parents adopting step-children of a partner do not qualify for SAL or SAP, although they may qualify for parental leave.

WHAT IS ADOPTION LEAVE (SAL)

- 2.1 SAL may be taken by an employee when a child up to 18 years of age is placed with them for adoption, provided they meet certain qualifying conditions. In most cases, the employee will also be entitled to receive Statutory Adoption Pay (SAP).
- 2.2 Where a couple (whether opposite sex or same-sex partners) are adopting jointly, only one person may take SAL (and receive SAP). This person will be the Lead Adopter and the other partner will be the Secondary Adopter. The Secondary Adopter may be entitled (subject to meeting certain eligibility criteria) to take one or two weeks' paid paternity leave and/or a period of unpaid parental leave.

RIGHTS PRIOR TO SAL

- 3.1 Employees that are adopting are entitled to time off for adoption appointments to either have contact with the child, or for another purpose connected to the adoption.
- 3.2 The Lead Adopter is entitled to up to five paid adoption appointments (each of not more than 6.5 hours in length).
- 3.3 The Secondary Adopter is entitled to up to two adoption appointments, without pay (each of no more than 6.5 hours).

ELIGIBILITY FOR SAL

- 4.1 To qualify for SAL an employee must be newly matched with a child for adoption by an approved adoption agency and have notified the Personnel Section in accordance with this policy.

NOTICE REQUIREMENTS

- 5.1 The employee must notify HHP of their intention to take SAL within seven days of being notified of a match by the adoption agency unless this is not reasonably practicable.
- 5.2 The following details must be provided in writing to the Personnel Section:
- Confirmation that they intend to take SAL;
 - When the child is expected to be placed with them;
 - When they would like their SAL/SAP period to commence.
- 5.3 The employee can change their mind over when they would like to commence their SAL provided they give at least 28 days' notice of the change (unless this is not reasonably practicable).
- 5.4 The employee must provide documentary evidence of the placement for adoption in the form of a matching certificate.

HOW MUCH LEAVE MAY BE TAKEN

- 6.1 An eligible employee is entitled to an overall entitlement of 52 weeks' SAL (comprising 26 weeks' Ordinary Adoption Leave (OAL) followed immediately by a further 26 weeks of Additional Adoption Leave (AAL)).
- 6.2 The employee can start their leave on any day of the week, from either the actual date of the child's placement, or a predetermined date no more than 14 days before the expected date of placement.
- 6.3 Only one period of leave is permitted for each placement regardless of how many children are placed at that time as part of the same arrangement.
- 6.4 If, for some reason, the placement is not successful and ends after the SAL period has begun, the employee will be allowed to continue their leave for a maximum of eight

weeks after the end of week the placement ends, or until the end of the maximum leave period, if that is sooner.

- 6.5 If the employee starts their SAL before the child is placed, they need to be sure that the placement is going ahead. If it is delayed once the employee has started their leave, they cannot stop their leave and start it again at a later date.

SHARED PARENTAL LEAVE

- 7.1 Employees entitled to SAL may be able to convert a period of this into a period of Shared Parental Leave (SPL) and pay, subject to meeting the required eligibility and notifications requirements.

PAY AND BENEFITS DURING SAL

- 8.1 Most employees are entitled to receive SAP during their SAL. In addition to the eligibility requirements for SAL listed above, to be entitled to SAP the employee must have:
- Worked for HHP for at least 26 weeks continuously by the week they were matched with the child;
 - Earned more than the lower earnings limit in the eight weeks prior to the notification of placement (the Personnel Section can provide further details about this);
 - Notified the Personnel Section at least 28 days' notice of the date they want SAP to start.
- 8.2 The maximum entitlement to SAP is 39 weeks' pay. Employees will receive higher rate SAP in respect of the first six weeks (90% of average earnings) and the flat lower rate of SAP for the remaining entitlement.
- 8.3 An employee who is not entitled to SAP will be sent a letter explaining why they are not eligible.

TERMS AND CONDITIONS DURING SAL

9.1 During OAL and AAL the employee's contract of employment continues as normal with the exception of remuneration.

This includes:

- paid holiday entitlement which continues to accrue (the employee cannot take accrued holiday during their SAL but can, with agreement, take it immediately before and/or at the end of the leave period)
- benefits such as share schemes, the reimbursement of professional subscriptions, the use of a company car and/or mobile phone (unless provided for business use only) will continue.

9.2 During periods of paid SAL the organisation will continue to pay pension contributions, which will be calculated as if the employee was in receipt of their normal remuneration.

9.3 If the employee normally makes pension contributions, these will also continue during periods of paid leave but will be based on what the employee is actually paid rather than on their normal remuneration.

RETURNING TO WORK

10.1 If the employee intends to take their full SAL entitlement, there is no need to formally notify the organisation of their return to work.

10.2 The employee is allowed to return early from leave. However, they must provide (preferably in writing) eight weeks' notice of their intended early date of return.

10.3 If the adoption placement is disrupted and the employee is returning earlier than expected, they still need to give the eight weeks' notice.

10.4 If the employee attempts to return early without notification, we may delay the return by up to eight weeks, provided this does not extend beyond the end of their

maximum leave entitlement. However, all reasonable steps will be taken to ensure the employee can return early if they wish to.

- 10.5 The employee has the right to return to the same job following a period of OAL.
- 10.6 Following AAL the employee is also entitled to return to the same job unless there is a good reason why they cannot do so, in which case the employee must be offered a similar job on terms and conditions that are no less favourable than their original job.
- 10.7 If the employee decides not to return to work at all at the end of their SAL, they must tender their resignation giving their usual period of notice

WORKING DURING SAL

- 11.1 An employee can, by agreement, work during their SAL for up to 10 "keeping in touch" (KIT) days without bringing their SAL to an end or losing SAP.
- 11.2 An employee does not have to work on such a day if they do not wish to do so. Equally, the organisation is not obliged to offer any KIT days.
- 11.3 Before the employee works on a KIT day, they must agree with their line manager the amount of pay that they will receive for that day and for that week.
- 11.4 The total duration of SAL period will remain at 52 weeks, regardless of whether or not an employee works on one or more KIT day.

CONTACT DURING ADOPTION LEAVE

- 12.1 We are entitled to make reasonable contact with the employee during their SAL. We may contact the employee, e.g. to discuss whether or not their planned date of return to work has changed or is likely to do so.
- 12.2 The employee is also entitled to make reasonable contact with the organisation during their SAL, e.g. to discuss any flexible working arrangements that may be requested in accordance with the Flexible Working Policy.

MONITORING AND REVIEW OF POLICY

- 13.1 This policy will be reviewed every three years in line with the policy review schedule.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members
<i>RTO</i>	Registered Tenants' Organisation
All references to the masculine gender in this policy shall read as equally applicable to the feminine gender	



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

SPECIAL LEAVE POLICY

Board 28 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 To review and approve for consultation, proposed changes to the Special Leave Policy particularly around compassionate leave and lifeline agencies.

Summary

- 2.1 A number of other RSL's Special Leave policies were considered as part of the three-year review resulting in the following proposed changes:
- Par 3.2 increase the compassionate leave on the death of a wife, husband, partner, parent or child (includes a still born child) from 5 days paid to 10 days paid
 - Expansion of lifeline agencies to include Hebrides Mountain Rescue and increasing the Volunteer Reservists from TA to all services
- 2.2 The policy was reviewed in detail at the Personnel Working Group on 15 June 2023 and the following change added:
- Discretion to be given to the Chief Executive to award special leave to a member of staff who is part of a life line agencies not mentioned which is vital to their community.

Competence

- 3.1 The financial, legal or other constraints arising from the recommendation in this report are detailed at paragraph 5.1 - 8.1.

Recommendations

- 4.1 **It is recommended that the Board agree to amending the Special Leave Policy to:**
- a) increase the compassionate leave from 5 days to 10 days in the event of the death of a wife, husband, partner, parent or child (includes a still born child);**
 - b) include Hebrides Mountain Rescue and Volunteer Reservist organisations on the list of lifeline agencies;**
 - c) give discretion to the Chief Executive to award Special Leave to a member of staff who is part of a life-line agency not mentioned in the policy but is vital to their community; and**

The Board:

- d) approve the Special Leave Policy for consultation with Staff and the Union; and**
- e) if there are no material changes to the Policy arising from the consultation, that the Policy is approved, otherwise a revised Policy be presented to the next meeting of the Board.**

Competence

Financial

- 5.1 Technically there would be a cost to increasing the compassionate leave in terms of time but there will be a reduction in sick pay as it is likely the employee in that situation would go to the doctor to be asked to be signed off sick.

Legal

- 6.1 Approval of policies is a matter reserved to the Board.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 The Special Leave policy should contribute to the mitigation of the risk of not achieving our third strategic goal.

APPENDIX 1: Special Leave Policy

Writer of Report: Dena Macleod

Tel: 0300 123 0773

SPECIAL LEAVE POLICY

APPROVED BY HHP BOARD:

EFFECTIVE DATE:
xxx 2023



hebridean housing
partnership

CONTENTS

GENERAL PRICIPLES	2
PAID LEAVE	3
COMPASSIONATE/BEREAVEMENT LEAVE	3
REQUIREMENT TO ESCORT TO HOSPITAL	4
FAMILY ILLNESS.....	4
CONFERENCES	4
UNION ACTIVITIES	5
POST ENTRY TRAINING AND EDUCATION	5
PUBLIC DUTIES.....	5
JURY SERVICE/WITNESSES.....	6
MAKE A DIFFERENCE DAY.....	7
UNPAID LEAVE.....	7
WHEN LEAVE MAY BE TAKEN	7
WHO IS A DEPENDANT?	8
LENGTH OF UNPAID LEAVE.....	8
FAMILY FRIENDLY POLICIES	8
CHARITABLE WORKS-NATIONAL AND INTERNATIONAL.....	9
PARENTAL ASSISTANCE/YOUTH CAMPS/SPORTS COMPETION.....	9
PENSIONS	9
EQUAL OPPORTUNITIES.....	9
MONITORING AND REVIEW OF THE POLICY	9
INTERPRETATIONS & ABBREVIATIONS.....	10

INTRODUCTION

- 1.1 Special Leave may be defined as leave, either paid or unpaid, given in addition to annual leave to help employees balance the demands of domestic and work responsibilities at times of either urgent, unforeseen and/or parental, carer and public service need. Leave granted under these arrangements is not intended for long term domestic and family needs.

GENERAL PRICIPLES

- 2.1 Leave allowances from Para 3.4 onwards are for each calendar year.
- 2.2 All special leave requests should, wherever possible, be applied for in advance of the dates being requested.
- 2.3 With the exception of statutory parental bereavement leave, the entitlements detailed in this policy are non-contractual and we reserve the right to revise this Policy in accordance with our Standing Orders.
- 2.4 Requests for unpaid leave to enhance the time off permitted by this policy can be made to the employee's line Director.
- 2.5 All applications for special leave will be considered sensitively and with the appropriate levels of confidentiality. However, in deciding whether or not to grant request, line manager will take operational circumstances into account, and while every effort will be made to accommodate requests wherever possible, there may be occasions where requests may be declined.
- 2.6 Employees are reminded that if they submit applications for special leave or time off for a specific purpose which are made on a false basis, this may constitute a breach of their contract. Should this be the case, the employee may be subject to Hebridean Housing Partnership's disciplinary procedures, up to and including a final warning.

PAID LEAVE

3.1 Paid leave falls into the categories below:

- a) Compassionate/Bereavement
- b) Requirement to Escort to Hospital
- c) Family Illness
- d) Conferences
- e) Union Activities
- f) Post Entry Training and Education
- g) Public Duties
- h) Community

COMPASSIONATE/BEREAVEMENT LEAVE

3.2 If it is not possible to arrange the funeral within the timescales stated, then the period can be extended by the line manager. Compassionate leave is a day one right.

	Detail	Timescales	Paid Time
a)	Death of wife, husband, partner, parent or child (includes a still born child)	Within a month of the death	10 days
b)	Death of a father-in-law, mother-in-law, son-in-law, daughter-in-law, sister, brother or grandchild	Within a month of the death	5 days
c)	Next of kin of an employee or an employee acting as an executor/executrix	Within seven days of death	3 days
d)	Death of Grandparent	Within seven days of death	3 days
e)	Death of a brother-in-law or sister-in-law	Within seven days of death	1 day
f)	Death of an uncle of aunt, niece, or nephew (blood relative)	Within seven days of death	1 day
<i>These relationships also include step relationships and partner relationship</i>			

- 3.3 Parents who suffer a still birth or the loss of a child under the age of 18 are entitled to two weeks statutory parental leave (which is over and above the leave in the table above)
- The leave can be taken as a single block of two weeks, or as two separate blocks of one week, each taken at different times during the 56 weeks after their child's death.
 - The first week of parental bereavement leave will be paid in full. For the second week of parental bereavement leave, employees who have at least 26 weeks continuous service and earn over the lower earnings limit will be entitled to statutory parental bereavement leave pay, in line with other family leave rates.

REQUIREMENT TO ESCORT TO HOSPITAL

- 3.4 Paid leave up to a maximum of three (3) working days will be granted to employees who are required by the GP or hospital to escort immediate family members for hospital treatment. The immediate family is defined as being wife, husband, partner, child, mother, father, sister and brother or other relatives, where the employee is the main carer.

FAMILY ILLNESS

- 3.5 Employees are entitled to up to five (5) days of paid leave to care for a dependant who is suddenly taken seriously ill or has been injured and is unable to look after themselves.

CONFERENCES

- 3.6 Leave of absence, with pay will be granted at the discretion of the appropriate Director, to a maximum of six (6) working days per annum:
- (a) Employees attending, as delegates, conferences, courses and meetings which are organised by a recognised body; and

- (b) Employees invited to lecture in their professional capacity.

Any additional leave will require the specific approval of the Board.

UNION ACTIVITIES

- 3.7 Employees elected as a Union Steward or to office of the Western Isles Branch of a Union recognised by the Board or sub-branches thereof shall be granted paid leave of absence to attend meetings of the Branch, and up to 5 days paid leave to attend training subject to the approval of the appropriate Director and service requirements

POST ENTRY TRAINING AND EDUCATION

- 3.8 All post entry training and education must be linked into the Approved Training Plan and the Performance Appraisal process. Employees undertaking approved recognised qualifications will be granted a maximum of five days leave of absence with pay for attendance at examinations, to attend training sessions related to the approved course or exam or to complete modules. Such absence must be in accordance with the Training Contract which is an addendum to the employment contract and must be agreed in advance with the appropriate Director.
- 3.9 Where an employee finds it necessary to re-sit an examination or module, special leave will not apply.

PUBLIC DUTIES

- 3.10 We recognise that under the Employment Rights Act 1996 individuals who hold certain public positions have a statutory right to reasonable unpaid leave during working hours to carry out certain public duties.
- 3.11 Although we are under no obligation to grant paid leave for public duties we recognise the valuable skills gained by employees holding such positions and will grant paid time off (normal basic pay) during normal working hours for employees wishing to carry out such duties.

3.12 Leave for public and lifeline agencies is detailed below:

Agencies	Paid	Unpaid
Children's Panel	5 days	5 days
Maritime and Coastguard	5 days for training and response to incidents	
Lifeboat Association		
Hebrides Mountain Rescue		
Scottish Ambulance First Responder		
Police Scotland (Special Constables)		
Volunteer Reservists e.g. Territorial Army		

3.13 To ensure we take account of the needs of our communities our Chief Executive will have discretion to award paid days in line with para 3.12 to staff who are involved with other Lifeline Agencies.

3.14 Volunteers with Lifeline Agencies must have recorded on the Declaration of Interest form and held on their Personnel file which Lifeline Agencies they are part of, and in which capacity.

JURY SERVICE/WITNESSES

3.14 An employee receiving a summons to serve on a jury must report the fact to their Director and shall be granted special leave with pay to attend, unless exemption is secured, subject to the deduction of the allowances to which an employee is entitled under the Juror's Allowances Regulations and accordingly the employee should claim such allowances. Any allowances received should be offset against salary and discussed with the Director of Finance & Corporate Services. When required to attend for jury service, an employee will be furnished with an official note of salary, expressed in terms of an hourly rate.

3.15 As witnesses are legally required to attend Court, paid special leave should be made available for the duration of the attendance. The employee should provide their Director with a copy of the citation and as for the Jury any allowance paid for being a witness will be offset against salary.

3.16 An employee appearing in court on their own behalf is required to use annual leave, flexi-time or time to be made up later which will be at the line manager's discretion

and the employee will be expected to make any time up within a reasonable and agreed time scale. Whilst doing so the employee will not be eligible to claim overtime. Alternatively the absence may be unpaid.

MAKE A DIFFERENCE DAY

- 3.17 Employees are entitled to one day's paid leave per year as a 'Make a Difference' day. This day can be used to volunteer at an event or otherwise provide support to a charity organisation. Employees must have approval in advance to use a Make a Difference day from their Director. Opportunities for positive publicity in connection with activities for a Make a Difference day should be taken.

UNPAID LEAVE

- 4.1 Time off for Dependants is unpaid leave taken by an employee for urgent family reasons where their immediate presence is indispensable. This entitlement may be used in addition to any relevant paid special leave provided, and is intended to help employees reconcile the demands of work and home life.

WHEN LEAVE MAY BE TAKEN

- 4.2 An employee is entitled to take time off in order to take necessary action:
- To provide assistance on an occasion when a dependant falls ill, gives birth or is injured;
 - To make arrangements for the provision of care for a dependant who is ill or injured (physically or mentally);
 - In consequence of the death of a dependant;
 - Because of the unexpected disruption or termination of arrangements for the care of a dependant;
 - To deal with an incident which involves a child of the employee and which occurs unexpectedly in a period during which an educational establishment which the child attends is reasonable for him/her; and
 - To accompany a dependant to a medical appointment

WHO IS A DEPENDANT?

4.3 For all of the situations described above, a dependant is a person who is the employee's spouse, child, or parent, or a person who lives in the employee's household. (This does not include someone who is the employee's tenant, lodger, or employee.)

- 'Dependant' can also mean any person who reasonably relies on the employee: for assistance if they fall ill or are injured;
- To make arrangements for the provision of their care in the event of illness or injury; and
- To assist when there has been unexpected disruption or termination of arrangements for their care.

LENGTH OF UNPAID LEAVE

4.4 The length of leave given is at the discretion of the Director. One or two days will be considered reasonable. Managers should seek advice from their Director. Completed forms will be kept in the employee's personal file. The return to work interview forms contain confidential information and may only be viewed by authorised personnel.

FAMILY FRIENDLY POLICIES

4.5 In terms of its family friendly policies, we are keen to support employees where there would be no financial consequences or detrimental effect on service by granting such leave.

- Directors may grant up to five (5) working days unpaid special leave in any one year; and
- The Chief Executive may grant up to a further five (5) working days unpaid special leave in any one year where there are special circumstances.

4.6 The special leave described in 4.5 is in addition to entitlements arising in the Parental Leave Policy, and arrangements that may be agreed in accordance with the Flexible Working Policy.

CHARITABLE WORKS-NATIONAL AND INTERNATIONAL

- 4.7 Special leave up to ten (10) days be made available to staff involved in voluntary work at a national/international level. The leave taken would be unpaid and require prior approval by their Director.

PARENTAL ASSISTANCE/YOUTH CAMPS/SPORTS COMPETITION

- 4.8 Special leave up to ten (10) days be made available to employees who are involved with youth activities/clubs and who are required to accompany children to camps and competitions. The leave taken would be unpaid and require 21 days prior approval by their Director.

PENSIONS

- 5.1 If there is any impact to an Employees Pension contributions or entitlement as a result of taking leave in accordance with this Policy, this shall be dealt with in accordance with the Local Government Pension Scheme (Scotland), and following the advice of our Pensions Administrator, Highland Council.

EQUAL OPPORTUNITIES

- 6.1 This policy has been developed ensuring that all employees, including those who work part time have equal opportunities for access to special leave. There are no exclusions to the categories of employee who have access to this policy. No employee will be excluded on the grounds of colour, race, ethnic or national origin, religion, social background, marital status, sexual orientation, age or disability.

MONITORING AND REVIEW OF THE POLICY

- 7.1 This policy will be review every three years in line with the policy review schedule.
- 7.2 The amount of leave taken under the policy will be reported to the Personnel Working Group on a quarterly basis.

INTERPRETATIONS & ABBREVIATIONS

The following interpretation and abbreviations are used in this policy:

WORD	INTERPRETATION
<i>HHP or Partnership</i>	Hebridean Housing Partnership
<i>Board</i>	Means the Board of the Hebridean Housing Partnership
<i>Board Members</i>	All Members of the Board including co-opted Members



HHP is a registered society under the Co-operative and Community Benefit Societies Act 2014, Registered Number: 2644R(S), Registered Office: Creed Court, Gleann Seileach Business Park, Willowglen Road, Stornoway, Isle of Lewis HS1 2QP. It is a charity registered in Scotland, Charity Number: SCO35767, registered as Registered Social Landlord with the Scottish Housing Regulator, Registration Number: 359 and registered as a Property Factor, Registration Number PF000183

Email: info@hebrideanhousing.co.uk

Web: www.hebrideanhousing.co.uk

ASSET MANAGEMENT STRATEGY

Board 28 June 2023

Report by Director of Operations

Purpose of Report

- 1.1 To provide the annual update on progress against the Asset Management Action Plan as agreed in March 2020.

Summary

- 2.1 The Asset Management Strategy Action Plan progress is broadly on target and the implementation of the Civica CX Housing Management System will enable further improvement in future to management reporting and service delivery.
- 2.2 Core points have been identified from the Action Plan to be progressed during the current year. Details can be found at paragraph 9.5 of the Report.
- 2.3 The Stock Condition Survey which is now due to be carried out in 2023 will inform the Strategy when it is renewed in 2024 along with the Business Plan.

Competence

- 3.1 The legal, financial or other constraints to the recommendations in this report are contained in paragraphs 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board note progress on the Asset Management Strategy.**

Background Papers: Risk Register/ Asset Management Strategy

Writer of Report: Angus MacNeil

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising directly from this report. The Strategy is based on a financial framework as set out in the Business Plan.

Legal

- 6.1 The Scottish Government has set up a legal requirement for Social Housing Landlords to bring their stock up to meet the second milestone of the Energy Efficiency Standard for Social Housing (EESHS2) by 2032. The Scottish Government is currently reviewing EESHS2 and the strategy will need to be reviewed on the outcome of the review is known
- 6.2 The Scottish Government Heat in Buildings Strategy also seeks to drive a pathway to net zero emissions in buildings by 2045. The Strategy sets out a vision for over 1 million homes in Scotland to convert to zero emissions heating by 2030.

Regulatory Guidance

- 7.1 The regulatory standards checklist has been completed and there is nothing in the report that would be in breach of the standards.
- 7.2 The regulator has issued new guidance on Asset Management. It is proposed that this be fully integrated into our new Business Plan and Asset Management Strategy as these are developed during 2023/24.

Risk

- 8.1 There are several risks highlighted in the Risk Register which are relevant to the Asset Management Strategy including changing demographics and population decline. This has a residual risk of 20 which is considered a high risk.
- 8.2 There are further risks highlighted in the Register concerning the delivery of the Investment Programme and the health of the local economy including the capacity of contractors to deliver programmes. Other relevant risks include:
- Affordability by tenant
 - Failure of a major contractor
 - Lack of skilled workforce
 - Impact of poor inter island transport
 - Supply chain challenges
 - Climate change
 - Effectiveness of key IT systems;
 - Legislative changes

Report Details

- 9.1 There is a clear expectation from the Scottish Housing Regulator that RSL's will have a clear and robust strategy for managing their housing stock and other assets. This requires a whole organisation approach using informed data to set a clear direction.
- 9.2 The current Strategy is based very closely on guidance from the Scottish Housing Regulator and is an integral part of our Business Plan. Revised guidance has now been issued and this will be incorporated in a new strategy from 2024.
- 9.3 Procurement of the Stock Condition Survey was undertaken again in April with a tender currently under consideration.
- 9.4 The implementation of the new CX system is proceeding. It is envisaged that this will support our Asset Management as it beds in and develops.
- 9.5 Generally, actions have been completed or are on track. Over the current year, there are remaining core points upon which the Strategy will concentrate.
 - a) **Reactive Repairs** - pursue measures to control demand and costs due to inflationary pressures.
 - b) **Stock Condition Survey** – carry out the survey with data to inform future programmes.
 - c) **Climate Change agenda/ Environmental, Social and Governance Strategy (ESG)** – to address
 - i. Energy Efficiency
 - ii. Fuel Poverty alleviation
 - iii. EESSH2
 - d) **Information Management** – development of IT systems and reporting
 - e) **Strategic influence on local housing strategy** – and feed into and inform on discussions on housing needs and demographic trends.

RISK MANAGEMENT STRATEGY

Board 28 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 To present the 2023 review of the effectiveness of our Risk Management Strategy.

Summary

- 2.1 We are required to carry out an annual review of the effectiveness of our Risk Management Strategy.
- 2.2 A summary of actions required following the review is at Appendix 1.

Competence

- 3.1 The financial, legal and other constraints to the recommendations of this report are at paragraph 5.1 - 8.1.

Recommendations

- 4.1 **It is recommended the Board note the 2023 review of the effectiveness of the Risk Management Strategy.**

APPENDIX 1: Risk Management Strategy Review

Background Papers: None

Writer of Report: Dena Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 There are no financial implications arising from the recommendations to this report being implemented.

Legal

- 6.1 The approval and amendment of strategies is a matter reserved to the Board.
- 6.2 The Board has referred the following function to the Audit & Risk Committee:
- Monitoring and reviewing policies and procedures relating to the Board's system of internal control, risk evaluation and corporate governance.
 - Making arrangements to identify, review, evaluate and manage risks
 - Considering quarterly presentation on the evaluation of key business risks

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 A Risk Management Strategy is critical to our long-term viability. Reviewing and updating the Strategy regularly ensures a solid foundation for good governance and mitigates the risk of poor governance.



Risk Management

Strategy Effectiveness 2023

Ref	Section	Effectiveness	Actions
2	Aims	Failed to identify one material risk with Infra-Red Heating	New risk on the Risk Register for component failure Financial Plans reprofiled to allow replacement of heating system earlier than planned
3	Essential elements	Review undertaken	None
4	Key Aspects	Effective no change required	None
5	Planning	Effective	Improve process by discussing Strategy as well as risk register at Managers meetings
6	Risk Categories	Effective no change required	None
7	Prioritising Risk		
8	Governance	Effective	Change as at 5 above
9	Risk-Co-ordinator	Effective	Job Roles to be checked to ensure clarity
10	Reports	Effective	
11	Risk Capacity	Effective	Update for 2024 cycle

I can confirm that Executive Team reviewed the Strategy against the last 12 months of operation and the results and actions are as above.

Dena Macleod, Chief Executive 19 June 2023

QUARTERLY TREASURY REPORT TO 31 MARCH 2023

Board 28 June 2023

Report by Director of Finance & Corporate Services

Purpose of Report

- 1.1 To inform the Board of the Treasury Management activities for the fourth quarter of 2022/23.

Summary

- 2.1 The quarterly Analysis of Investment and Borrowing report required by the Treasury Management Policy is at Appendix 1.
- 2.2 Financial covenants were met for 2022/23.

Competence

- 3.1 Financial and legal constraints arising from the recommendation to this report being implemented are detailed at 5.1 – 8.2.

Recommendations

- 4.1 **It is recommended that the Board note the:**
- a) **quarterly report on the Analysis of Investment and Borrowing as shown at Appendix 1;**
 - b) **outstanding loans at 31 March 2023 of £17M; and**
 - c) **cash balance at 31 March 2023 of £7.993M.**

APPENDIX 1:	Analysis of Investment and Borrowings
APPENDIX 2:	Quarterly Income and Expenditure Profile
Background Papers	None
Writer of Report	Donald Macleod

Tel: 0300 123 0773

Competence

Financial

- 5.1 This report deals entirely with the cash resources utilised over the fourth quarter of 2022/23.

Legal

- 6.1 Rule 19.1 to 20.1 details the Partnership's borrowing powers.
- 6.2 The effecting of borrowing and lending money is in accordance with the Partnership's borrowing and lending policies and CIPFA's "Treasury Management in Housing Partnerships: A Code of Practice" and has been delegated to the Director of Finance & Corporate Services.
- 6.3 The Treasury Management Policy requires that as a minimum a quarterly report is provided to the Board in the form "Analysis of Investment and Borrowing".
- 6.4 The Treasury Management Policy requires that if the cash balances exceed £4M the funds should be spread over no fewer than four interest bearing accounts. The cash balances are in a special interest account with Royal Bank of Scotland (RBOS). The remainder is held in the current accounts with the RBOS.
- 6.5 The Treasury Management Policy states that we *"will ensure at least 50% of net debt is to be hedged (either through entering into fixed rates or using another acceptable instrument) at any one time and so a maximum of 50% of forecast net debt exposed to the risk of rising interest rates"*.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report which would result in a breach of the standards.

Risk

- 8.1 There are a number of risks highlighted in the Risk Register in relation to Treasury Management. The risk scored as "high" is the impact of increases in the interest rate and inflation rate and this has been addressed in Appendix 1.
- 8.2 The COVID-19 pandemic and war in Ukraine has resulted in turmoil in the financial markets. The increase in the bank interest rates mean that there will be an increased cost with respect to any variable loans held. There will also be an increase in interest received on deposit accounts.
- 8.3 Interest rate is managed through hedging the proportion of debt between Fixed and Variable. We are in a strong hedging position with only £1.5M of current debt drawn on a variable basis.

Report Details

Fourth Quarter Treasury Update

- 9.1 The fourth quarter of the year saw £5.856M expenditure of which £2.616M related to new build.
- 9.2 The income for the fourth quarter was £4.989M and comprised Rental Income (51%), Sale of Assets (3%), Government Grants including new build (44%) and Other Income (2%).
- 9.3 In this quarter there was no change in total borrowing (£17M drawn).
- 9.4 Appendix 2 summarises the income and expenditure profiles for the fourth quarter.
- 9.5 The cash balances at 31 March 2023 decreased quarter on quarter by £0.735M to £7.993M. This was mainly driven by an increase in spend in fourth quarter on investment and development.
- 9.6 All covenants were complied with for 2022/23.
- 9.7 The current outlook is that the £5.5M drawdown originally forecast to be drawn in 2023/24 will not be drawn now until 2024/25. This is primarily driven by delays on development.

31MAR23

ANALYSIS OF INVESTMENTS AND BORROWINGS

INVESTMENTS

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Average
DEPOSIT ACCOUNTS	£000's	£000's	£000's	£000's	£000's	£000's
Royal Bank	750	750	750	4,250	4,250	2,150
CWS	0	0	0	0	0	0
BOS	4	6	6	12	15	8
Santander	85	85	85	86	86	86
Total Deposit	839	841	841	4,348	4,351	2,244
CURRENT ACCOUNTS						
General Account	893	3,544	6,228	2,117	1,359	2,828
Standing Order	503	301	518	732	750	561
Direct Debit	500	676	750	750	750	685
Office/Cash	537	645	750	750	750	686
Property Factoring	25	26	29	31	33	29
Total current	2,457	5,192	8,275	4,380	3,642	4,789
Total	3,296	6,033	9,116	8,728	7,993	7,033

Balances shown are taken from the Bank Statements and not the ledger.

The cash held at the Royal Bank is split between 5 operational accounts totalling £3.642M. 5 deposit accounts held with the 4 banks shown above total £4.351M.

BORROWINGS

Core Funding Facility	£m
Estimated debt outstanding (per Business Plan)	17.00
Actual amount outstanding	17.00
Difference	-

Interest Rates

The Interest Rate that applies to the Partnership is SONIA plus an agreed margin. SONIA is the Sterling Overnight Index Average and replaces LIBOR (London Inter Bank Offer Rate). SONIA has risen from 3.43% to 4.18% as at 31 March 2023.

The Base Rate increased from 3.5% to 4.25% in March 2023 as a result of the Bank of England (BOE) attempts to curb rising inflation. It is anticipated the Bank of England will increase rates further as they try to control inflation, which at 8.7%, is running significantly above their 2% target.

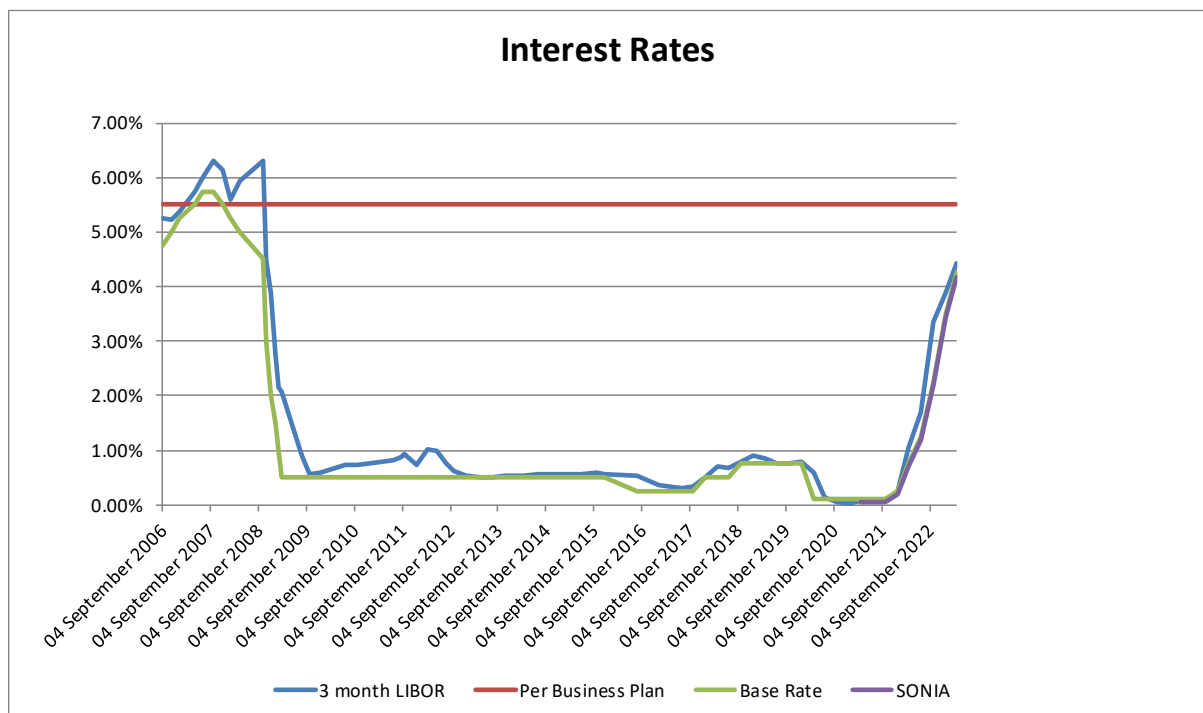
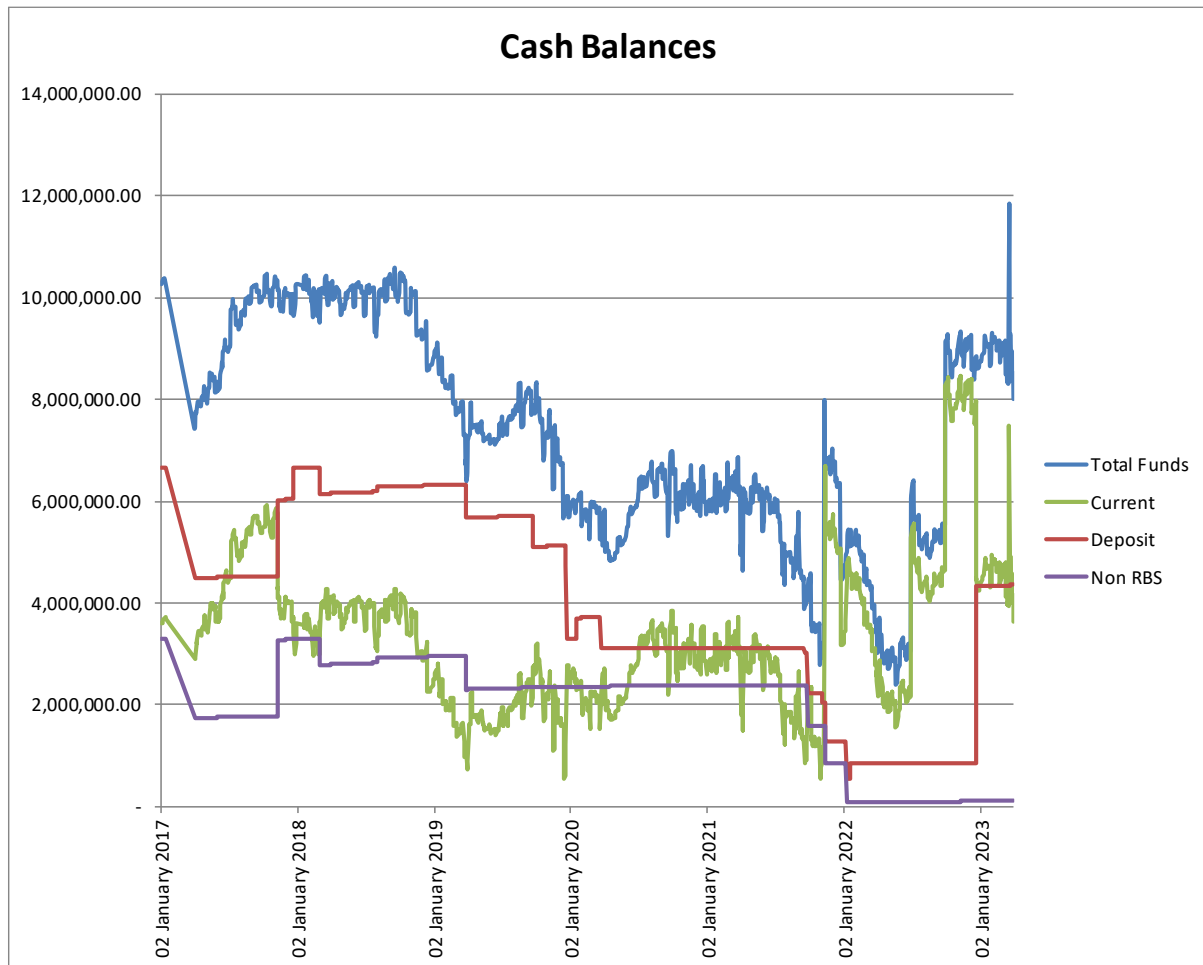
Borrowings	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Average
	£000's	£000's	£000's	£000's	£000's	£000's
Facilities arranged	25,000	25,000	25,000	25,000	25,000	25,000
Loans outstanding	10,000	13,000	17,000	17,000	17,000	14,800
Variable/Fixed analysis-amounts						
Variable amount	1,500	1,500	1,500	1,500	1,500	1,500
Fixed amount	8,500	11,500	15,500	15,500	15,500	13,300
Other Hedging	-	-	-	-	-	-
	10,000	13,000	17,000	17,000	17,000	14,800
Variable/Fixed analysis-Percentages						
Variable	15.00%	11.54%	8.82%	8.82%	8.82%	10.14%
Fixed	85.00%	88.46%	91.18%	91.18%	91.18%	89.86%
Other Hedging Products						
	100%	100%	100%	100%	100%	100%
Lenders amounts						
Core Facility (RBS)	10,000	13,000	17,000	17,000	17,000	14,800
Other Borrowings	-	-	-	-	-	-
	10,000	13,000	17,000	17,000	17,000	14,800

Average cost of borrowing

Amount £000's	Interest	Type	Annual Cost
15,500.00	3.18%	Fixed	493,447
1,500.00	2.97%	Variable	44,488
17,000.00			537,935
Average cost of funds			3.16%

Anticipated level of borrowing over next 5 years

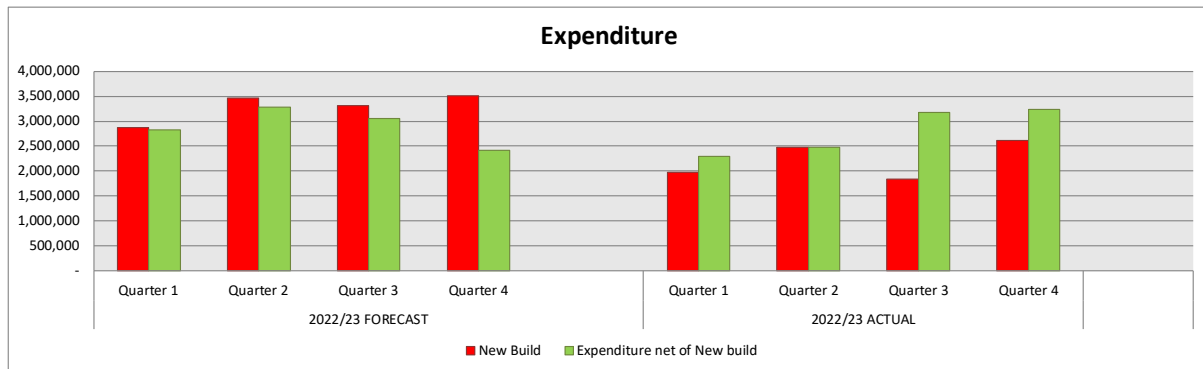
Year	2022/23 Est	AFS Forecast	Variance
	£m	£m	£m
2022/23	17.000	17.000	-
2023/24	17.000	22.500	(5.500)
2024/25	24.500	24.500	-
2025/26	25.000	25.000	-
2026/27	25.000	25.000	-



31MAR23

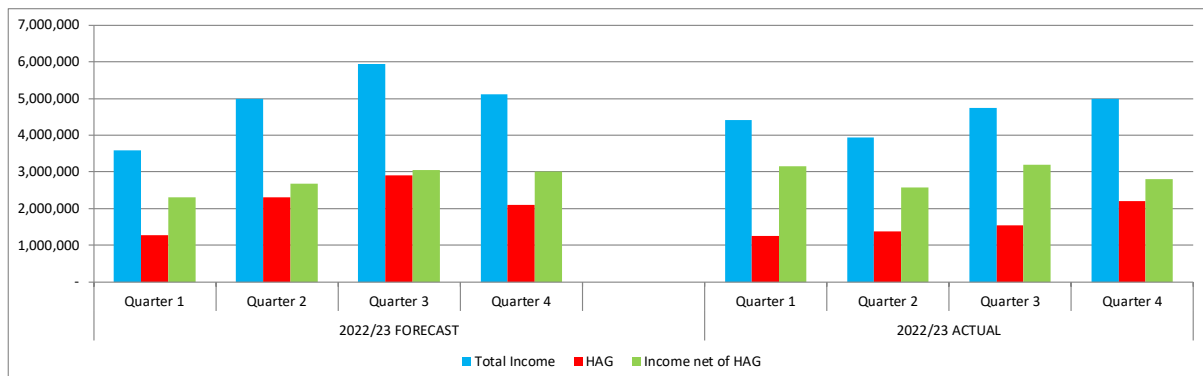
ANALYSIS OF INCOME AND EXPENDITURE PROFILES

EXPENDITURE



Overall, the expenditure for the fourth quarter (Q4) of 2022/23 is £69K lower compared to forecast. This is mainly driven by New Build, due to delays in getting onto site in a number of developments as originally planned. Expenditure net of new build for Q4 is £819K above forecast. This results in expenditure net of New Build for the full year being £391K below original forecast mainly driven by investment.

INCOME



Total Income for the fourth quarter of 2022/23 is broadly in line with the original budget. Income net of HAG is £212K above budget mainly due to New Supply Shared Equity (NSSE) sales in the quarter.

BUSINESS PLANNING TIMETABLE

Board 28 June 2023

Report by Chief Executive

Purpose of Report

- 1.1 To provide a Timetable for the preparation of the next five year Business Plan 2024/25 to 2028/29.

Summary

- 2.1 The Business Plan requires to be updated to reflect the Board's plans for the next five years.
- 2.2 A timetable has been prepared to ensure the Business Plan is prepared and approved by 31 March 2024. The timetable is at Appendix 1.

Competence

- 3.1 There are no legal, financial, or other constraints arising from the recommendations to this report.

Recommendations

- 4.1 **It is recommended that the Board note the timetable at Appendix 1.**

APPENDIX 1 Business Planning Timetable

Background Papers None

Writer of Report Iona France

Tel: 0300 123 0773

2024/25 – 2028/29 Business Plan Five Year Full Review Timetable

Event	Date	Participants	Method
Questionnaire to be prepared for Tenant Events	July/August 2023		
Tenant Events	August/September 2023	Tenants and wider Community	Local Community events in each area
Business Planning Day	November 2023	<u>Morning Session</u> Partners	One Day Event (possibly Cabarfeidh)
		<u>Afternoon Session</u> Staff Board	
Preparation of Business Plan	November 23 – January 24		
Scenario Planning/Risk Management	December 23	Board Members	
Approval of Draft Plan	February 2024		
Consultation Period	February/March 2024	Tenants/Stakeholders	
Business Plan Approval	March 2024		

It is proposed we hold tenant events in local communities with at least 3 members of staff attending each event

The Tenant Engagement Officer will be involved in arranging/participating in the Tenant Events

Demo of Tenant Portal at Tenant Events

Draft Business Plan to be sent to all attendees

INVESTMENT PROGRAMME MONITORING REPORT

Board 28 June 2023

Report by Director of Operations

Purpose of Report

- 1.1 To provide an update on the 2023/24 Investment Programme.

Summary

2023/2024 Programme

- 2.1 The Board approved the 2023/24 Programme on 8 February 2023. Tendering commenced in April and work awarded to date are detailed in the report. The award of further works will be subject to the outcome of the LCITP grant application. The total percentage of the programme tendered to date is 65% of budget.
- 2.2 Planning consent was initially granted for the air source heating installation at the eight flats at Doig Crescent, however the Building Warrant required the heat pumps to be installed on a separate external standalone platform, not fixed to the walls as originally proposed. This would require a new planning application. We have been advised by planning that the new proposal would be unlikely to be approved due to its negative visual impact. High heat retention heaters are being explored as an alternative potentially in conjunction with a thermal storage system for hot water.
- 2.3 Energy Efficiency (External Wall Insulation) grant funding has been confirmed for 2023/24 and works to remaining properties are being progressed.
- 2.4 The LCITP grant application for Infra-red heating has been submitted, we are currently awaiting a decision.

Stock Condition Survey

- 2.5 Tenders have been received and negotiation is underway with the preferred bidder.

Aids & Adaptations

- 2.6 A funding award of £0.275M from the Scottish Government has been confirmed for 2023/24.

Competence

- 3.1 The legal, financial, or other constraints to the recommendations in this report are contained in paragraph 5.1 – 8.4.

Recommendations

- 4.1 **It is recommended that the Board note the:**
- a) progress on the Investment Programme at Appendix 1; and**
 - b) Scottish Government grant award £0.275M for the provision of Aids and Adaptations.**

Competence

Financial

2023/24 Investment Programme

- 5.1 The approved Investment Budget for 2023/24 is £3.919M approved by Board on 29 March 2023. The current budget position is detailed in the Management Accounts on this Board agenda.
- 5.2 The Scottish Government have awarded Aids and Adaptation funding agreement of £0.275M.

LCITP Funding Award

- 5.3 The LCITP grant application for infra-red heating has been submitted and a decision is awaited.

Legal

- 6.1 The decision to approve or amend Strategy, Business Plan and budgets including virements to or from a Budget Head in excess of £0.10M is reserved to the Board.
- 6.2 Financial Regulations require that the actual forecast and progress on the Investment Programme be reported to each routine meeting of the Board.

Regulatory Guidance

- 7.1 The Regulatory Standards checklist has been completed and there is nothing in the report that would result in a breach of the standards.

Risk

- 8.1 There are risks highlighted in the Risk Register that are relevant to Investment. This includes affordability for tenants leading to increased levels of fuel poverty. This has a residual risk of 20 which is considered a high risk.
- 8.2 There are further risks highlighted in the Register concerning the failure of a major contractor, the health of the local economy including particularly the capacity of contractors to deliver programmes. Capacity currently is limited both for contractors and elements of the supply chain.
- 8.3 The Scottish Government requires landlords to comply with EESSH. Failure to meet the standard could result in regulatory engagement. Revised guidance on EESSH is awaited.
- 8.4 Monitoring of several infra-red heating installations is ongoing which will allow comparison with air source heating systems once installed.

APPENDIX 1: 2023/24 Investment Programme
APPENDIX 2: Aids & Adaptations Position
Background Papers: Management Report to 31 May 2023
Writer of Report: Angus MacNeil

Tel: 0300 123 0773

Report Details

LCITP Funding Award

- 9.1 The LCITP funding bid for external wall insulation (EWI) has been confirmed as continuing into this financial year.
- 9.2 EWI works are planned for 14 Swedish timber and Scan system houses at Pentland Drive; Edgemoor Square; Dunrossil Place; Kersavagh; St Barr's Crescent; An Goirtean; Am Meall and Cille Bharra. We are awaiting building warrant approval.

Stock Condition Survey - Procurement

- 10.1 Two tenders were returned for services to undertake the stock condition survey. Previously in 2022, no tender responses were received.
- 10.2 Tender prices are significantly over budget. Negotiations are currently underway on price and scope of services required.
- 10.3 A further update will be provided verbally at the Board meeting.

2023/24 Investment Programme

- 1.1 The position of each contract Lot is set out in Table 1. Specific points to note are detailed below.

Table 1

Lot/ Works	Status/ Contractor	Site Start date	Estimated Completion Date
Lewis & Harris			
Lot 1a - Windows & Doors	Awarded – Alex Murray (Construction) Ltd	July	February
Lot 1b - Windows & Doors	Awarded – Alex Murray (Construction) Ltd	July	December
Lot 2a - Heating – gas heating	Tender to be issued	On hold	On hold
Lot 2b - Heating – infra red	Awarded – Alex Murray (Construction) Ltd	July	December
Lot 2c - Heating – Infra red	Awarded – Alex Murray (Construction) Ltd	July	December
Lot 3a - Bathroom & Showers	Tender to be issued	On hold	On hold
Lot 3b - Showers	Tender to be issued	On hold	On hold
Lot 4 - Kitchens	Tender to be issued	On hold	On hold
Lot 5 - Roughcast	Tender to be issued	On hold	On hold
Lot 6 - Electrical	Tender to be issued	On hold	On hold
Lot 8 - Occupational Therapy	Awarded – Alex Murray (Construction) Ltd	May	March
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	On site – BCA Group	April	October
Uist & Barra			
Lot 9a - Windows & Doors	Awarded – FES FM Ltd	July	December
Lot 9b - Windows & Doors	Awarded – Alex Murray (Construction) Ltd	August	February
Lot 9c – Windows & Doors	Awarded – Alex Murray (Construction) Ltd	July	December
Lot 10 - Heating	Awarded – FES FM Ltd	August	September
Lot 11 - Bathroom & Showers	Tender to be issued	On hold	On hold
Lot 12 - Kitchens	Tender to be issued	On hold	On hold
Lot 15 - Electrical	Tender to be issued	On hold	On hold
Energy Efficiency (External Wall Insulation) – Scotland Excel framework	On site – BCA Group	July	October

Programme progress

- 2.1 External wall insulation – works are progressing with three further units completed in Lewis. Contractor is preparing a programme for the remaining properties in Uist and Barra. Building warrant applications have been submitted and waiting approval. There is a requirement for structural calculations to verify the design and we have sought the services of a local engineer to provide this information.
- 2.2 Tender awards –tenders for infra-red heating, windows and occupational therapy have been awarded. The heating and windows have progressed to the survey stage with survey programmes being agreed between the Contractor and Investment Manager. Heating works cannot be progressed until the funding application is determined by Scottish Government.
- 2.3 Tenders for the remaining elements of the programme, kitchens, bathrooms, electrical work, and remaining heating, are dependent on the result of the application for the LCITP grant for infra-red heating. Tenders are being prepared in readiness for issue should the grant application be successful.
- 2.4 There are no reported supply chain issues on Lots currently. However, during the tender process for windows, a scarcity of joiners was reported.

Infrared heating

- 3.1 All tenants have been informed of the financial year in which their heating system will be replaced. A guide to heat pumps has also been provided to ensure tenants have information on the system and to try and ensure questions are addressed as far as possible prior to installation.
- 3.2 A drop-in meeting at the Cearns Ceilidh house has been arranged for 15 June to allow tenants an opportunity to discuss any issues of concern to them
- 3.3 The LCTIP application has been submitted with a decision expected in early July. We will then be in a position to move ahead immediately with system installations.

Aids & Adaptations Position

The current position on General Adaptations is below. Referrals are being progressed as they are received, and regular discussions are ongoing with contractors and with Occupational Therapists to ensure works are actioned and completed timeously.

Occupational Therapy referrals

Occupational Therapy Referrals	2023/24
Number of Properties	23
Number of Referrals (some properties have more than one referral)	26
Number of tasks on Referrals (a referral can have multiple tasks)	54
Number of referrals completed	4
Number of Referral tasks completed	7
Total Spend/ Committed	£61.2K
Grant Allocation – General Adaptations	£275K